

**SCHOOL DISTRICT
OF
MANNINGTON TOWNSHIP**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Mannington Township Board of Education

Salem, New Jersey

For the Fiscal Year Ended June 30, 2014

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Prepared by

Mannington Township Board of Education

Finance Department

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
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FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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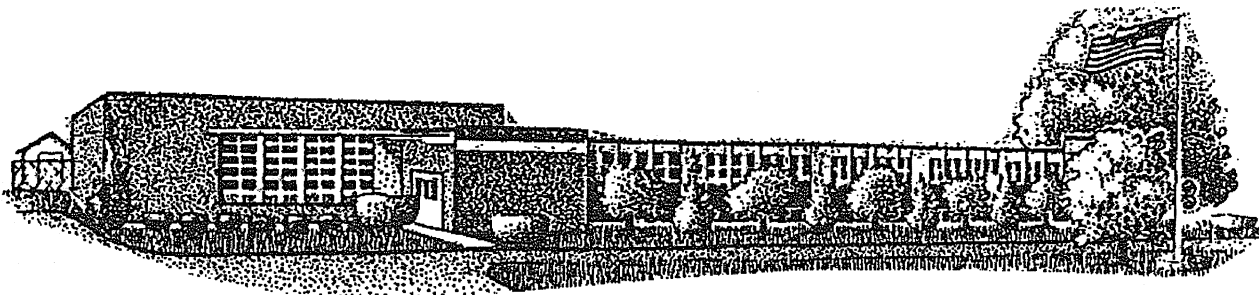
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INTRODUCTORY SECTION



Mannington Township School District

"The Pride of Mannington"

495 Route 45
Salem, NJ 08079

(856) 935-1078
Fax (856) 935-3747

Constance McAllister
Superintendent

Donna Dolbow
Business Administrator

September 4, 2014

Honorable President and
Members of the Board of Education
Mannington Township School District
Salem County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Mannington Township School District for the fiscal year ended June 30, 2014 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, the financial position and results of operations of the various funds of the District. All disclosures that we feel are necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the New Jersey State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Awards, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Mannington Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The Mannington Township Board of Education and its one school constitute the District's reporting entity. Mannington Township School District provides a full range of educational services appropriate to grade levels Pre-K through Eighth grade. These include regular, as well as special education for handicapped students. Our students in grades 9-12 are sent to Salem High School in a sending/receiving relationship. Tuition and transportation are paid for by the Mannington Township Board of Education. The Mannington Township School District completed the 2013-2014 fiscal year with an enrollment of 178 students, which was 4 less students than in the prior year. The following changes in the student enrollment of the District over the last ten years show a leveling off for the later years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2013-14	178	-2.19%
2012-13	182	8.98%
2011-12	167	-1.76%
2010-11	170	-10.9%
2009-10	191	9.14%
2008-09	172	(1.14)%
2007-08	174	13.73%
2006-07	154	(3.39)%
2005-06	159	(12.64)%
2004-05	182	4.79%

2. ECONOMIC CONDITION AND OUTLOOK:

Mannington Township is showing, and will continue to show, a limited increase in new housing. The Township houses many of the county government facilities, i.e., emergency management, the county jail, the County Vocational Technical School and Prep Center, plus numerous churches and the Memorial Hospital of Salem County. A large percentage of land is locked from building by the Farmland Preservation Act, wetlands designation, plus the Mannington Meadows (a National Wildlife Preserve). The Township is experiencing limited growth in industry and professional establishments. At the current time, at least two developers have applied to build multi-home developments within the community. It is anticipated, that that once the building process is underway, the district enrollment will increase.

3. MAJOR INITIATIVES:

Student scores on state and independent assessments remained stable with a large percentage of the student population scoring in the proficient and high proficient range for grades 1-8. Continued utilization of the ESI (Early Screening Inventory) is assisting in identifying areas of need for our Pre-K and Kindergarten classes. The district continues to focus professional development in the areas of literacy, reading, writing, HIB, and technology.

Mannington Township School offers a full day Pre-K and Kindergarten programs that utilize "Tools of the Mind" and NJCCCS respectively. Curriculums are consistently monitored and aligned accordingly to NJCCCS and differentiated instruction is a key focus in lessons through all disciplines.

The Mannington School continues to provide and ensure a safe and healthy learning environment for staff and students. The recent safety upgrades included a new remote door lock system and upgrades in building communication. A Safety Committee meets quarterly to review procedures and plans in order to optimize school safety.

During the 2013-2014 school year, the district continued to concentrate on early identification of academic issues with students in our Pre-K through Third Grade classes. RTI (Response to Intervention) continued to be refined and utilized to help address academic issues that students were having. The district also heavily invested through professional development and school wide initiatives in the areas of harassment, intimidation, and bullying. Parents, students, staff, and administration were presented information and training through workshops, assemblies, and activities to help the school climate remain bully free. In the area of technology the Mannington School is utilizing online reports and assessments, laptop carts, and Smartboards. Curriculum is infused with technology and lessons can be enhanced through the use of the computers. Several technology based programs have been purchased, such as IXL (math program) and Accelerated Reader to aid in the enhancement of lessons and used as supplemental resources by our teaching staff. The needs of all students are considered in both regular and special education, including resource center programs and inclusion settings, with a full range of related services being offered.

The parent-paid tuition rate is competitive with surrounding districts and allows parents outside of Mannington Township a reasonable and affordable choice within the county for their child (children's) education. The number of parent-paid tuition students has been fairly constant over the past several years, even with choice schools being offered in Salem County.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

4. INTERNAL ACCOUNTING CONTROLS (CONT'D):

As a recipient of federal awards and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are being made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2014.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 1.

7. DEBT ADMINISTRATION:

On March 1, 2006, the Mannington Township Board of Education issued \$2,218,000 in bonds for the renovation of the elementary school, of which the balance as of June 30, 2014 was \$1,563,000. There was no other authorized or outstanding bonded debt as of June 30, 2014.

During 1998-1999 the Board approved the issuance of a capital lease in the amount of \$400,000 to fund roof replacement to the school building. As of June 30, 2014, the outstanding principal amount of said capital lease was \$37,066.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability, and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10. OTHER INFORMATION:


Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, P. A., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

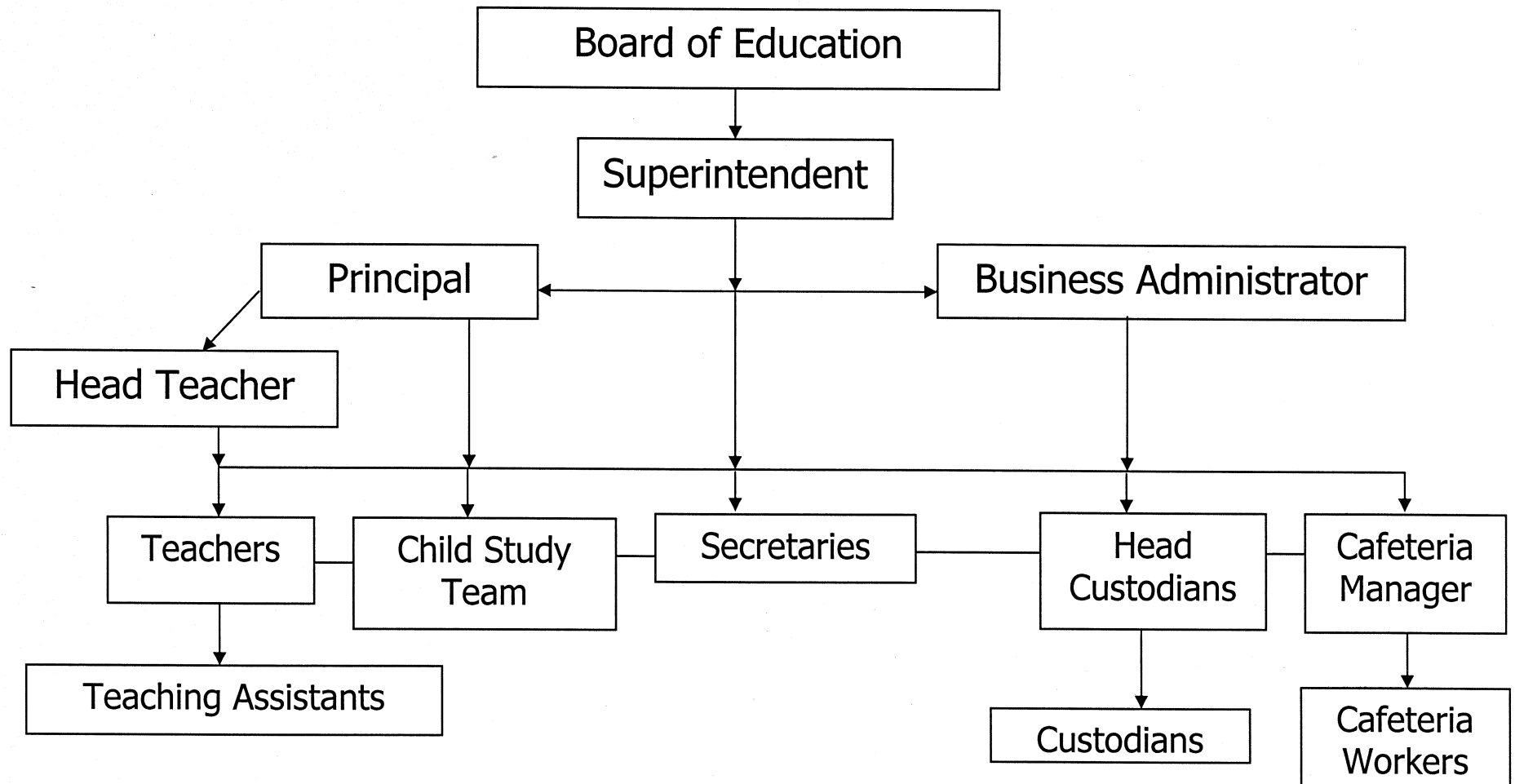
We would like to express our appreciation to the members of the Mannington Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,


Constance McAllister, Superintendent


Donna Dolbow
Business Administrator/Board Secretary

Mannington Township School Organizational Chart



MANNINGTON TOWNSHIP BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2014

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Patricia Skwirut, President	2016
Carmen Porter, Vice President	2014
Jennifer VanDover	2015
Melanie Richman	2015
Cynthia Shimp	2015
Melissa Ecret	2014
Eric Buzby	2014

OTHER OFFICIALS

Mrs. Constance McAllister, Superintendent

Ms. Kristin Williams, Principal

Mrs. Donna Dolbow, Business Administrator

Mr. Mark Toscano, Esquire, Solicitor

MANNINGTON TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

AUDIT FIRM

Raymond Colavita, CPA, RMA
Nightlinger, Colavita and Volpa, P. A.
Certified Public Accountants
991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

ATTORNEY

Mr. Mark G. Toscano, Esq.
Comegno Law Group, PC
521 Pleasant Valley Avenue
Moorestown, New Jersey 08057

OFFICIAL DEPOSITORY

The Bank
Route 45
Salem, New Jersey 08079

INSURANCE AGENCY

Conner Strong Co., Inc.
PO Box 358
Bridgeton, New Jersey 08302

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245

September 4, 2014

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Mannington Township School District
County of Salem, New Jersey 08079

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Mannington Township School District in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2014, which collectively comprise the Mannington Township School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Mannington Township School District in the County of Salem, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

New Accounting Standards

As discussed in Note 2 to the financial statements, during the fiscal year ended June 30, 2014, the School District adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB): Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

The Management Discussion and Analysis and Budgetary Comparison Information on pages 12 through 19 and 49 through 56 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures, to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mannington Township School District's financial statements as a whole. The introductory section, combining fund financial statements, long-term debt schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of state assistance is presented for purposes of additional analysis as required by New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* and is also not a required part of the financial statements.

The combining and individual fund financial statements and long-term debt schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subject to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

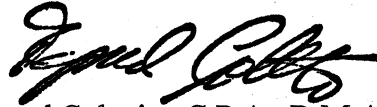
The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated September 4, 2014 on our consideration of the Mannington Township School District Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governments Auditing Standards and should be considered in assessing the results of our audit.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

A handwritten signature in black ink, appearing to read 'Raymond Colavita', is written over the printed name.

Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Mannington Township School District Management Discussion and Analysis

This section of the Mannington Township School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ending on June 30, 2014. Comparative information between the current year (2013-14) and the prior year (2012-13) is required to be presented in the MD&A. The intent of the discussion and analysis is to look at the District's financial performance as a whole. Interested parties should review the basic financial statements and notes in concert with this document in order to enhance and clarify their understanding of the finances of the District.

Using the Comprehensive Annual Financial Report (CAFR)

The Comprehensive Annual Financial Report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status and performance.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the *district-wide statements*, with the focus on operations.
- The *governmental fund statements* tell how *basic* services such as regular and special education were financed in the *short-term*, as well as what remains for future spending.
- *Proprietary fund statements* offer *short- and long-term* financial information about activities the District operates *like businesses*.
- *Fiduciary fund statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include *notes* that explain various information in the statements and provide more detail. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

Key financial highlights for 2014 are as follows:

- General revenues accounted for \$3,225,157 in revenue or 88% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$448,108 or 12% percent to total revenues of \$3,673,265.
- Total net position of governmental activities decreased by \$66,693, comprised of changes in various assets and liabilities. The net position of the Business-type Activities decreased by \$991.

- The School District had \$3,740,949 in expenses, of which only \$448,108 of these expenses were offset by program specific charges for services, grants or contributions. Revenues (primarily federal awards, state aid and property taxes) of \$3,673,265 were not adequate to provide for these programs, requiring the use of fund balance. These revenues and expenses include the Business-type Activities.
- The General Fund had \$3,221,752 in revenues, \$3,324,573 in expenditures and no other net financing uses during the year. The General Fund's balance decreased \$124,321 over 2013, which included a transfer to the Food Service Fund of \$21,500. This decrease was anticipated by the Board of Education as fund balance was used to balance the budget.

District-wide Financial Statements – Reporting the School District as a Whole

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net position* and changes in that position. Net position – the difference between the District's assets and liabilities – are one way to measure the District's overall financial position.

This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the School district has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, which represent the district-wide financial statements, the School District is divided into two distinct kinds of activities:

- Governmental Activities – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities and internal service funds.
- Business-type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business-type activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 22. Fund financial reports provide detailed information about these major funds. The School District uses numerous funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds.

The District may implement four types of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental fund statements explains the relationship (or differences) between them.
- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Internal Service funds:* (Also considered proprietary funds) are optional and utilized to report activities that provide supplies and services for other District programs and activities. The District currently does not have any internal service funds.
- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as the student activity fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements as these assets may not be used to finance the District's operations.

The School District as a Whole

Table 1 provides a comparative summary of the School District's net position for the years ended in 2014 and 2013.

Table 1
Net Position

	2014	2013
Assets		
Current and Other Assets	\$ 320,049	\$ 450,534
Capital Assets, Net	1,471,376	1,564,682
Total Assets	1,791,425	2,015,216
Liabilities		
Current Liabilities	46,896	56,651
Long-term Liabilities	1,712,204	1,858,556
Total Liabilities	1,759,100	1,915,207
Net Position		
Invested in Capital Assets, Net of Debt	(128,690)	(165,286)
Restricted	111,476	236,930
Unrestricted	49,539	28,365
Total Net Position	\$ 32,325	\$ 100,009

Table 2 shows the changes in net position from fiscal year's 2014 and 2013.

Table 2
Changes in Net Position

	2014	2013
Revenues		
Program Revenues		
Charges for Services	\$ 42,708	\$ 45,960
Operating Grants	405,400	449,799
General Revenues		
Property Taxes	2,539,162	2,491,085
Grants and Entitlements	620,492	605,108
Other	65,503	74,913
Total Revenues	3,673,265	3,666,865
Program Expenses		
Instruction	1,281,546	1,255,673
Tuition	527,318	417,605
Pupil and Instructional Staff	326,640	351,150
General Administration, School		
Administration, Business	265,770	238,430
Operations and Maintenance of Facilities	217,577	199,831
Pupil Transportation	199,350	236,136
Employee Benefits	763,130	862,689
Interest on Debt	70,214	76,053
Food Service	89,404	95,512
Total Expenses	3,740,949	3,733,079
Increase in Net Position	(67,684)	(66,214)
Less: Fixed Asset Adjustment		(19,060)
Net Increase in Net Position	\$ (67,684)	\$ (85,274)

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District's Property taxes made up 78.7% percent of these revenues for governmental activities. Restricted and Unrestricted Federal, state and local grants accounted for another 19.2% and other revenues accounted for 2.1%. The total cost of services, as shown below, was \$3,740,949. The net cost of all governmental programs and services, which excludes charges for services and operating grants, was \$3,270,350. Instruction comprises 36.5% of these District expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Total Cost of Services 2014</u>	<u>Net Cost of Services 2014</u>	<u>Total Cost of Services 2013</u>	<u>Net Cost of Services 2013</u>
Instruction	\$ 1,281,546	\$ 1,193,181	\$ 1,255,673	\$ 1,171,893
Tuition	527,318	527,318	417,605	417,605
Pupil and Instructional Staff	326,640	253,808	351,150	263,575
General administration, school administration, business	265,770	265,770	238,430	238,430
Operation and maintenance of facilities	217,577	217,577	199,831	199,831
Pupil Transportation	199,350	199,350	236,136	236,136
Employee Benefits	763,130	543,132	862,689	610,851
Interest and fiscal charges	70,214	70,214	76,053	76,053
Food Service	89,404	22,491	95,512	22,946
Total Expenses	<u>\$ 3,740,949</u>	<u>\$ 3,292,841</u>	<u>\$ 3,733,079</u>	<u>\$ 3,237,320</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development. Curriculum and staff development expenses (included in support services) are related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Co-curricular activities include instructional expenses related to student activities provided by the School district which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District as well as internal service fund expenses.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition as well as internal service fund expenses.

Pupil transportation includes activities involved with the conveyance of students to and from school and other activities, as provided by state law, as well as internal service fund expenses.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Business-Type Activities

Revenues for the District's business-type activities (Food Service program) were comprised of charges for services and federal and state reimbursements.

- Expenses exceeded program revenues by \$22,491. This deficit was anticipated by the board as surplus was available from the prior year.
- Charges for services represent \$31,008 of revenue, which was a decrease of \$1,614 from the prior year. This represents amount paid by patrons for daily food services activities. There was no other nonoperating revenue.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$35,905.

The School District's Funds

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. The governmental funds used (general fund, special revenue fund, capital projects and debt service fund-based statements) had total revenues of \$3,601,036, expenditures of \$3,695,678 and no other net financing uses during the year. The net negative change in fund balance for the year was \$116,142, which demonstrates that the District was not fully able to meet current operating costs without the use of fund balance. As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2014, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase/ (Decrease) from 2013	Percent Increase/ (Decrease)
Local Sources	\$ 2,604,665	72.46%	\$ 38,667	1.51%
State Sources	877,243	24.40%	(39,131)	-4.27%
Federal Sources	112,744	3.14%	14,155	14.36%
	<u>\$ 3,594,652</u>	<u>100.00%</u>	<u>\$ 13,691</u>	<u>0.38%</u>

The increase in Local sources is attributed to increases in the general fund local tax levy of \$47,153 and debt service tax levy of \$924, offset by a decrease in tuition revenue of \$3,328 and \$6,082 in other miscellaneous revenues.

The decrease in State sources of \$39,131 is attributed to decreases in general fund aid of \$32,588, restricted state grants of \$7,019, offset by an increase in debt service aid of \$476

The above schedule includes the last state aid payments for 2012-2013 of \$44,980 received in July 2013 and does not include the last state aid payments for 2013-2014 received in July 2014 in the amount of \$65,633.

The decrease in Federal sources is due to changes in various grants. In addition, the 2014 figures do not include deferred revenue in accordance with GAAP accounting.

The following schedule presents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2014 and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) from 2013	Percent Increase/ (Decrease)
Current:				
Instruction	\$ 1,208,825	32.70%	\$ 23,921	2.02%
Undistributed expenditures	2,255,974	61.03%	45,825	2.07%
Capital Outlay	28,519	0.77%	(830)	-2.83%
Debt Service:				
Principal	129,902	3.51%	7,039	5.73%
Interest	73,654	1.99%	(5,638)	-7.11%
Total	<u>\$ 3,696,874</u>	<u>100.00%</u>	<u>\$ 70,317</u>	<u>1.94%</u>

The increase in instructional expenditures is attributed to an increase in expenses for regular instruction of \$24,275 and in other instruction of \$370, offset by a decrease in special education instruction of \$724.

The increase in undistributed expenditures was due to increases in tuition costs of \$109,713, administration/central services costs of \$26,893 and maintenance cost of \$17,704, offset by decreases in student instruction related services of \$23,385, pupil transportation expenses of \$36,786 and employee benefit costs of \$48,314.

The increase in capital outlay of \$7,039 is attributed to increased capital expenditures for equipment.

The change in debt service results from increased principal payments and declining interest cost.

General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2014, the School District amended its General Fund budget as needed. The School District uses program based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

- Staffing changes based on student needs.
- Additional costs for student transportation both in regular education and special education.
- Changes in maintenance and operations.
- Changes in appropriations to prevent budget overruns.

While the District's final budget for the general fund anticipated that revenues, including surplus appropriated, would roughly equal expenditures, the actual results for the year show a decrease of \$103,668 as shown on Exhibit C-1.

- Actual revenues were \$13,371 more than expected, excluding on-behalf pension and social security reimbursements of \$215,269, due to various state aid allotments and miscellaneous revenues.
- Actual expenditures were \$109,039 less than expected. This excludes state on-behalf pension and social security reimbursements of \$215,269 and reflects favorable variances in most expenditure accounts.

Capital Assets

At the end of the fiscal year 2014, the School District had \$1,471,376 (net of accumulated depreciation) invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2014 balances compared to 2013.

Table 4
Capital Assets (Net of Depreciation) at June 30

	<u>2014</u>	<u>2013</u>
Land	\$ 6,207	\$ 6,207
Land Improvements	15,338	1,581
Building and Improvements	1,390,981	1,485,935
Machinery and Equipment	58,850	70,959
	<u> </u>	<u> </u>
Totals	<u>\$ 1,471,376</u>	<u>\$ 1,564,682</u>

Overall capital assets decreased by \$93,306 from fiscal year 2013 to fiscal year 2014. The Decrease consisted of \$121,825 in depreciation expense, offset by additions of \$28,519. The General fund decreases were \$92,763 and the Food Service Enterprise Fund decrease was \$543.

Long-Term Debt:

At year-end, the District had outstanding capital lease principal in the amount of \$37,066, school bonds in the amount of \$1,563,000 and compensated absences of \$112,138. There was no other outstanding authorized debt (Note 6). The remaining available amount of debt permitted to be authorized is \$4,774,079.

Factors Bearing on the District's Future

At the time the financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect the financial position in the future:

- Collective Bargaining unit is in effect until June 30, 2014
- State Formula Aid for the fiscal year 2013-2014 remained stable and it is still hopeful that the State will establish an aid formula that results in distribution based on a district performance plan and enrollment factor.
In addition, special revenues had been decreasing in the overall funds year to year. Mannington avails every possible grant prospect to increase and supply the best educational opportunities for students. Mannington Together in Education (TEAM- parent group) has assisted the district by providing funds for field trips, the recent purchase of two Smartboards and supplemented the Basketball Court repaving cost.

In conclusion, Mannington Township School District has remained committed to fiscal responsibility for many years. The district continues sound fiscal management practices to meet the requirements of the future and accepts the challenge to continue to find additional revenues to meet expenses requirements.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Donna Dolbow, Business Administrator, Mannington Township School District, 495 Route 45, Salem, NJ 08079.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 256,423	\$	\$ 256,423
Receivables, Net	25,687	17,664	43,351
Interfund Receivable	3,204		3,204
Restricted Assets:			
Capital Reserve Account - Cash	17,071		17,071
Capital Assets, Net (Note 6):	1,466,915	4,461	1,471,376
Total Assets	<u>1,769,300</u>	<u>22,125</u>	<u>1,791,425</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	4,729		4,729
Accrued Interest Payable	24,088		24,088
Unearned Revenue	615	669	1,284
Cash Overdraft		16,795	16,795
Noncurrent Liabilities:			
Due Within One Year	249,204		249,204
Due Beyond One Year	1,463,000		1,463,000
Total Liabilities	<u>1,741,636</u>	<u>17,464</u>	<u>1,759,100</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	(133,151)	4,461	(128,690)
Restricted for:			
Capital Reserve	17,071		17,071
Special Revenue	(5,600)		(5,600)
Other Purposes	100,005		100,005
Unrestricted	49,339	200	49,539
Total Net Position	<u>\$ 27,664</u>	<u>\$ 4,661</u>	<u>\$ 32,325</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
Instruction:						
Regular	\$ 1,106,427	\$	\$ 88,365	\$ (1,018,062)	\$	\$ (1,018,062)
Special Education	173,722			(173,722)		(173,722)
Other instruction	1,397			(1,397)		(1,397)
Support services:						
Tuition	527,318			(527,318)		(527,318)
Student & Instruction Related Services	326,640	11,700	61,132	(253,808)		(253,808)
General and Business Administrative Services	65,899			(65,899)		(65,899)
School Administrative Services	107,832			(107,832)		(107,832)
Central Services	92,039			(92,039)		(92,039)
Plant Operations and Maintenance	217,577			(217,577)		(217,577)
Pupil Transportation	199,350			(199,350)		(199,350)
Employee Benefits	763,130		219,998	(543,132)		(543,132)
Interest on Long-term Debt	70,214			(70,214)		(70,214)
Total Governmental Activities	3,651,545	11,700	369,495	(3,270,350)		(3,270,350)
Business-type Activities:						
Food Service	89,404	31,008	35,905		(22,491)	(22,491)
Total Business-type Activities	89,404	31,008	35,905		(22,491)	(22,491)
Total Primary Government	\$ 3,740,949	\$ 42,708	\$ 405,400	(3,270,350)	(22,491)	(3,292,841)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				2,404,816		2,404,816
Taxes Levied for Debt Service				134,346		134,346
Federal and State Aid not Restricted				620,492		620,492
Tuition Received				60,297		60,297
Investment Earnings				992		992
Miscellaneous Income				4,214		4,214
Transfer				(21,500)	21,500	
Total General Revenues, Special Items, Extraordinary Items and Transfers				3,203,657	21,500	3,225,157
Change in Net Position				(66,693)	(991)	(67,684)
Net Position—Beginning				94,357	5,652	100,009
Net Position—Ending				\$ 27,664	\$ 4,661	\$ 32,325

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

MANNINGTON TOWNSHIP BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 256,418	\$	\$ 5	\$ 256,423
Cash - Capital reserve	17,071			17,071
State Aid Receivable	169			169
Federal Aid Receivable		12,352		12,352
Receivables from other governments	13,166			13,166
Interfund Receivable	15,812			15,812
Total Assets	<u>\$ 302,636</u>	<u>\$ 12,352</u>	<u>\$ 5</u>	<u>\$ 314,993</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$	\$ 4,729	\$	\$ 4,729
Unearned Revenue		615		615
Interfund Payable		12,608		12,608
Total Liabilities		<u>17,952</u>		<u>17,952</u>
Fund Balances:				
Restricted For:				
Capital Reserve	17,071			17,071
Assigned to Year-End Encumbrance	1,799			1,799
Assigned:				
Designated for Subsequent Year's Expenditures	100,000			100,000
Unassigned, Reported In:				
General Fund	183,766			183,766
Special Revenue Fund		(5,600)		(5,600)
Debt Service Fund			5	5
Total Fund balances	<u>302,636</u>	<u>(5,600)</u>	<u>5</u>	<u>297,041</u>
Total Liabilities and Fund Balances	<u>\$ 302,636</u>	<u>\$ 12,352</u>	<u>\$ 5</u>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$2,770,299 and the accumulated depreciation is \$1,303,384 (Note 6).

1,466,915

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (Note 7).

(1,712,204)

Accrued Interest on Bonds not payable until the next year.

(24,088)

Net position of governmental activities

\$ 27,664

The accompanying Notes to Financial Statements are an integral part of this statement.

MANNINGTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local sources:				
Local Tax Levy	\$ 2,404,816	\$	\$ 134,346	\$ 2,539,162
Tuition from Other LEAs	37,475			37,475
Tuition from Individuals	22,822			22,822
Interest Earned	992			992
Miscellaneous	4,214			4,214
Total Local Sources	2,470,319		134,346	2,604,665
State Sources	751,433	56,600	69,210	877,243
Federal Sources		112,744		112,744
Total Revenues	3,221,752	169,344	203,556	3,594,652
EXPENDITURES				
Current:				
Regular Instruction	948,652	88,365		1,037,017
Special Education Instruction	170,823			170,823
Other Instruction	985			985
Support Services:				
Tuition	527,318			527,318
Student & Instruction Related Services	234,694	61,132		295,826
General Administration	62,005			62,005
School Administrative Services	100,119			100,119
Central Services	86,993			86,993
Plant Operations and Maintenance	204,783			204,783
Pupil Transportation	199,350			199,350
Employee Benefits	774,851	4,729		779,580
Capital Outlay	14,000	14,519		28,519
Debt Service:				
Principal			129,902	129,902
Interest and Other Charges			73,654	73,654
Total Expenditures	3,324,573	168,745	203,556	3,696,874
Excess (Deficiency) of Revenues Over Expenditures	(102,821)	599		(102,222)
OTHER FINANCING SOURCES (USES)				
Transfers Out - Food Service Fund	(21,500)			(21,500)
Total Other Financing Sources and Uses	(21,500)			(21,500)
Net Change in Fund Balances	(124,321)	599		(123,722)
Fund Balance—July 1	426,957	(6,199)	5	420,763
Fund Balance—June 30	\$ 302,636	\$ (5,600)	\$ 5	\$ 297,041

The accompanying Notes to Financial Statements are an integral part of this statement.

MANNINGTON TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Total net change in fund balances - governmental funds (from B-2) **\$ (123,722)**

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	\$	(121,282)	
Capital Outlays		28,519	
			(92,763)

In the statement of activities, certain operating expenses are measured by the amounts earned during the year, such as compensated absences. In the governmental funds, however, expenditures are reported when the corresponding financial resources are used or paid.	16,450
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Repayment of capital lease principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of net position.	34,902
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Repayment of Serial Bond principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of net assets.	95,000
--	--------

In the statement of activities, interest on long term debt is accrued, regardless of when due, In the Governmental funds, interest is reported when due for payment.	3,440
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Change in net position of governmental activities (A-2)	\$ (66,693)
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The accompanying Notes to Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

MANNINGTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Business-Type Activities Enterprise Fund		Governmental Activities Internal Service Fund
	Food Service	Total Enterprise	
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$	\$	\$
Accounts Receivable	2,398	2,398	15,266
Total Current Assets	2,398	2,398	15,266
Noncurrent Assets:			
Furniture, Machinery & Equipment	8,567	8,567	
Less Accumulated Depreciation	(4,106)	(4,106)	
Total Noncurrent Assets	4,461	4,461	
Total Assets	\$ 6,859	\$ 6,859	\$
LIABILITIES AND FUND EQUITY:			
Current Liabilities:			
Unearned Revenue	\$ 669	\$ 669	\$
Cash Overdraft	1,529	1,529	15,266
Total Current Liabilities	2,198	2,198	15,266
Net Position			
Invested in Capital Assets, Net of Related Debt	4,461	4,461	
Unrestricted	200	200	
Total Net Position	4,661	4,661	
Total Liabilities & Net Position	\$ 6,859	\$ 6,859	\$ 15,266

The accompanying Notes to Financial Statements are an integral part of this statement.

MANNINGTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities		Governmental
	Enterprise Fund		Activities
	Food	Totals	Internal
	Service		Service
			Fund
Operating Revenues:			
Charges for Services:			
Food Sales Reimbursable Programs	\$ 19,909	\$ 19,909	\$
Food Sales Non-Reimbursable Programs	11,099	11,099	
Other Charges for Service			11,700
Total Operating Revenue:	31,008	31,008	11,700
Operating Expenses:			
Cost of Sales	62,945	62,945	
Salaries	23,082	23,082	
Salaries-Other Professional			7,022
Employee Benefits	1,766	1,766	4,678
General Supplies	719	719	
Other Purchased Services	349	349	
Depreciation	543	543	
Total Operating Expenses	89,404	89,404	11,700
Operating Income (loss)	(58,396)	(58,396)	
Non-operating Revenues (Expenses):			
State Sources:			
State School Lunch Program	666	666	
Federal Sources:			
National School Lunch Program	21,438	21,438	
School Breakfast Program	5,880	5,880	
Food Distribution Program	7,921	7,921	
Total Non-operating Revenues (Expenses)	35,905	35,905	
Income (Loss) Before Contributions & Transfers	(22,491)	(22,491)	
Transfers In (Out)	21,500	21,500	
Change in Net Position	(991)	(991)	
Total Net Position - Beginning	5,652	5,652	
Total Net Position - Ending	\$ 4,661	\$ 4,661	\$

The accompanying Notes to Financial Statements are an integral part of this statement.

MANNINGTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities		Governmental
	Enterprise Funds		Activities
	Food	Total	Internal
	Service	Enterprise	Service
			Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 31,008	\$ 31,008	\$ 11,700
Payments to Employees	(23,082)	(23,082)	(7,022)
Payments for Employee Benefits	(1,766)	(1,766)	(4,678)
Payments to Suppliers	(63,732)	(63,732)	
Net Cash Provided by (Used for) Operating Activities	(57,572)	(57,572)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	666	666	
Federal Sources	35,239	35,239	
Operating Transfer In-General Fund	21,500	21,500	
Net Cash Provided by (Used for) Non-capital Financing Activities	57,405	57,405	
Net Increase (Decrease) in Cash and Cash Equivalents	(167)	(167)	
Balances—Beginning of Year	(1,362)	(1,362)	
Balances—End of Year (Cash Overdraft)	\$ (1,529)	\$ (1,529)	
Reconciliation of Operating Income (Loss) to Net Cash Provided			
(Used) by Operating Activities:			
Operating Income (Loss)	\$ (58,396)	\$ (58,396)	\$
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	543	543	
(Increase) Decrease in Accounts Receivable, Net	(478)	(478)	(15,266)
(Increase) Decrease in Inventories	173	173	
Increase (Decrease) in Interfund Payable			
Increase (Decrease) in Unearned Revenue	586	586	
Total Adjustments	824	824	(15,266)
Net Cash Provided by (Used for) Operating Activities	\$ (57,572)	\$ (57,572)	\$ (15,266)

The accompanying Notes to Financial Statements are an integral part of this statement.

FIDUCIARY FUNDS

MANNINGTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	<u>Agency Fund</u>	<u>Student Activity</u>
ASSETS		
Cash and Cash Equivalents	\$ 21,490	\$ 16,087
Total Assets	<u>\$ 21,490</u>	<u>\$ 16,087</u>
LIABILITIES		
Payable to Student Groups	\$	\$ 16,087
Due to General Fund	3,204	
Medical Reimbursement Plan	<u>18,286</u>	
Total Liabilities	<u>\$ 21,490</u>	<u>\$ 16,087</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

A. Reporting Entity:

The Mannington Township School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of seven members elected to three-year terms. These terms are staggered so that two or three members' terms expire each year. The purpose of the district is to educate students in grades Pre K-8. The Mannington Township School District had an approximate enrollment at June 30, 2014 of 178

Business Administrator/Board Secretary services are contracted with the Alloway School District including responsibility for the administrative control of the district.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of Mannington Township School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). In addition, the school district has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*.

A. Basis of Presentation:

The District's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. Basis of Presentation: (continued)

District-wide Statements: The statement of net position and the statements of activities display information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses—expenses of the District related to the administration and support of the District's programs, such as personnel and accounting—are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

B. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and accounts are grouped in the financial statements in this report as follows:

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: (continued)

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. The district currently has no capital projects and, therefore, has not included a capital projects fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

PROPRIETARY FUNDS (CONT'D)

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund. The School Age Child Care Program was eliminated in the prior year.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund - Equipment	12 Years
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FIDUCIARY FUNDS

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and Scholarship Funds, if any.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a nonexpendable trust fund.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds. This includes a Flexible Medical Spending Plan.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting and Measurement Focus:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2 (f) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Budgets/Budgetary Control: (continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis, which differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types is shown on Exhibit C-2.

E. Encumbrance Accounting:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable:

Tuition charges for the fiscal years 2011-12, 2012-13, and 2013-14 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

I. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase.

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

J. Assets, Liabilities and Equity:

Transactions

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

Inventories

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014. At June 30, 2014, there was no ending inventory in the Food Service Fund.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The District receives federal commodity food for meal service provided through a vended meal contract.

Capital Assets - General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2014 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Assets in the general fixed assets account group are not depreciated.

Capital assets are depreciated in the district-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	50
Building Improvements	20
Equipment	5-10

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the district-wide Statement of Net Position. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

L. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned.

M. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

N. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

O. Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

P. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2014.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Q. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

R. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

S. Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

T. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

U. Net Position:

Net Position represents the difference between assets and liabilities. Net investment in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

V. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

W. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

X. New Accounting Standards:

During fiscal year 2013, the district adopted the following GASB statements:

- GASB 62, *Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect in a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
- GASB 65, *Items Previously reported as Assets and Liabilities*, although not required to be implemented until next year, the District elected to apply the statement to the current year financial statements. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items were previously reported as assets and liabilities and recognize, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

X. New Accounting Standards (Cont'd):

- GASB 66, *Technical Corrections-2012, an Amendment of GASB Statements 10 and 62*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions and No. 62, Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.
- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision- useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 25, *Financial reporting for Deferred Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No.50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 68, *Accounting and financial reporting for Pensions*, will be effective beginning with the year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions hat is provided by other state entities. This Statement replaces the requirements of Statement No.27, *Accounting for Pension Disclosures, and Local Governmental Employers*, as well as the requirements of Statement No.50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions in which they may invest. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts as follows:

- a. Bonds or other obligations of the Unites States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the school district.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2014, the District had no funds on deposit with the New Jersey Cash Management.

Deposits:

N.J.S.A. 17:9-41, et seq. establish requirements for the security of deposits of governmental units. The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office on the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to Governmental Units.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The School District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

Custodial Credit Risk:

Custodial credit presents a risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's formal policy regarding custodial credit risk is in compliance with N.J.S.A. 17:9-41 et seq. that the School District deposit all public funds in public depositories protected from loss under the provisions of the GUDPA Act as previously described.

The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2014, the District's bank balance of \$373,699 was insured or collateralized as follows:

Insured by Depository Insurance	\$ 250,000
Collateralized under GUDPA	<u>123,699</u>
Total	\$ <u>373,699</u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

As of June 30, 2014, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	Cash and Cash Equivalents
Checking Accounts	\$ <u>309,542</u>

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Mannington Board of Education by inclusion of \$1,000 on September 12, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance, July 1, 2013	\$ 17,046
Interest Earnings	25
Deposits - Approved by Resolution	
Ending Balance, June 30, 2014	\$ <u><u>17,071</u></u>

The balance in Capital Reserve is within the June 30, 2014 LRFP maximum balance of local support costs of uncompleted capital projects of \$156,259.

NOTE 5. OPERATING LEASES

The District leases copiers under operating leases. The terms of the contracts call for monthly or quarterly payments. The future minimum lease payments required under the lease are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ <u>6,972</u>
Total	\$ <u><u>6,972</u></u>

The total operating lease payments made during the year ended June 30, 2014 were \$6,972.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustment/ Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 6,207	\$ -	\$ -	\$ 6,207
Total Capital Assets not being Depreciated	6,207			6,207
Land Improvements	32,965	14,000		46,965
Building and Building Improvements	2,573,425	14,519		2,587,944
Machinery and Equipment	129,183			129,183
Totals at Historical Cost	2,735,573	28,519		2,764,092
Less Accumulated Depreciation for:				
Land Improvements	(31,384)	(243)		(31,627)
Building and Improvements	(1,087,490)	(109,473)		(1,196,963)
Equipment	(63,228)	(11,566)		(74,794)
Total Accumulated Depreciation	(1,182,102)	(121,282)		(1,303,384)
Total Capital Assets being Depreciated, Net of Accumulated Depreciation	1,553,471	(92,763)		1,460,708
Government Activities Capital Assets, Net	\$ 1,559,678	\$ (92,763)	\$ -	\$ 1,466,915
	To A-1			To A-1
Business-type Activities - Equipment	\$ 8,567			\$ 8,567
Less Accumulated Depreciation	(3,563)	(543)		(4,106)
Business-type Activities Capital Assets, Net	\$ 5,004	\$ (543)	\$ -	\$ 4,461

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 69,410
Special Education	2,899
Other Instruction	412
Support Services:	
Student & Instruction Related Services	19,114
School Administration	7,714
General & Business Administrative Services	3,893
Central Services	5,045
Plant Operations and Maintenance	12,795
Total Depreciation Expense	<u>\$ 121,282</u>

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 7. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2014 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectable in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

Accounts receivable as of fiscal year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Special Revenue Fund</u>	<u>Internal Service Funds</u>
Receivables:				
Intergovernmental	\$ <u>13,335</u>	\$ <u>2,398</u>	\$ <u>12,352</u>	\$ <u>21,650</u>

Included in the above receivable is an amount from Jersey City of \$21,650 that is two years old.

NOTE 8. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2014, the following changes occurred in long-term obligations:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>	<u>Long-term Portion</u>
Governmental Activities:						
Serial Bonds	\$ 1,658,000	\$ -	\$ 95,000	\$ 1,563,000	\$ 100,000	\$ 1,463,000
Obligations under capital lease	71,968		34,902	37,066	37,066	
Compensated absences payable	128,588		16,450	112,138		112,138
Total other liabilities	\$ 1,858,556	\$ -	\$ 146,352	\$ 1,712,204	\$ 137,066	\$ 1,575,138

A. Bonds Payable – As of June 30, 2014, the Board had Bonds Payable in the amount of \$1,563,000, which were issued on March 1, 2006.

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 100,000	\$ 65,389	\$ 165,389
2016	110,000	61,389	171,389
2017	115,000	56,989	171,989
2018	120,000	52,389	172,389
2019	125,000	47,589	172,589
2020	130,000	42,277	172,277
2021	135,000	36,752	171,752
2022	140,000	31,014	171,014
2023	145,000	25,064	170,064
2024	145,000	18,902	163,902
2025	150,000	12,739	162,739
2026	148,000	6,364	154,364
	\$ <u>1,563,000</u>	\$ <u>456,856</u>	\$ <u>2,019,856</u>

B. Bonds Authorized But Not Issued -- As of June 30, 2014, the District had no bonds authorized but not issued.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 8. GENERAL LONG-TERM DEBT (CONT'D)

C. Capital Leases – During the year ended June 30, 2000, the Board of Education entered into a lease purchase agreement in the amount of \$400,000 for the purpose of replacing the roof and any other repairs associated with the roofing project. The lease term is 15 years, and bears interest at the rate of 6.204%.

Year ending June 30,	Amount
2014	
	\$ 39,367
Total Minimum Lease Payments	39,367
Less: Amount Representing Interest	(2,301)
	<hr/>
Present Value of Net	
Minimum Lease Payments	\$ 37,066
	<hr/> <hr/>

NOTE 9. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Significant Legislation – P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 9. PENSION PLANS (CONT'D)

The legislation's provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members) decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the TPAF and PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost - of - living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 9. PENSION PLANS (CONT'D)

Three-Year Trend Information for PERS

<u>Year Funding</u>		<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>		<u>Net Pension Obligation</u>
6/30/14	\$	39,366	100	%	\$ 39,366
6/30/13		39,263	100		39,263
6/30/12		38,073	100		38,073

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

<u>Year Funding</u>		<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>		<u>Net Pension Obligation</u>
6/30/14	\$	131,975	100	%	\$ 0
6/30/13		160,874	100		0
6/30/12		105,390	100		0

During the fiscal year ended June 30, 2014, the State of New Jersey contributed \$49,998 to the TPAF for TPAF pension contributions and \$81,977 for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$83,294 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 10. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c 62. Funding of post retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

NOTE 11. COMPENSATED ABSENCES

The School District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the school district and its employees, is accrued as employees earn the rights to the benefits.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 11. COMPENSATED ABSENCES (CONT'D)

District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreement with the various employee unions.

In the district wide-Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2014, there was no liability for compensated absences in the Food Service Fund.

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrator is as follows:

Lincoln Investments
Travelers Insurance Company
ING

NOTE 13. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

There were interfund balances due to the General Fund of \$12,608 from Special Revenue Fund and \$4,400 due from the Payroll Fund, as shown on Exhibit B-1 at June 30, 2014.

NOTE 15. FUND BALANCE APPROPRIATED

General Fund - Of the \$302,636 General Fund balance at June 30, 2014, \$17,071 is reserved for Capital Reserve; \$1,799 is reserved for Encumbrances; \$0 was reserved as Maintenance Reserve; \$0 was reserved as excess surplus at June 30, 2014 in accordance with N.J.S.A. 18A:7F-7; of which none has been appropriated and included as anticipated revenue for the year ending June 30, 2015; \$100,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2014; and \$183,766 is unreserved and undesignated.

Debt Service Fund - The unreserved and undesignated Debt Service fund balance at June 30, 2014 is \$5.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance -- Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There is no excess fund balance at June 30, 2014, which must be budgeted in the 2015-16 budget.

NOTE 17. LITIGATION

The District is from time to time involved in claims and lawsuits incidental to its operations. Per confirmation by the District's legal counsel, there are no pending litigations, claims, assessments of contingent liability against the District.

NOTE 18. DEFICIT FUND BALANCES

The District has a deficit fund balance in the Special Revenue Fund of \$5,600 as of June 30, 2014 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund does not alone indicate that the district is facing financial difficulties. The deficit of \$5,600 is equal to the 19th and 20th payments received in July 2013.

NOTE 19. FEMA Community Disaster Loan (CDL)

General Fund [Exhibits A-1, A-2, B-1, B-2, C-1] - The school district did not apply for and did not receive a CDL due to Superstorm Sandy in October 2012.

NOTE 20. Community Development Block Grant (CDBG)

General Fund [Exhibits A-1, A-2, B-1, B-2, C-1 and C-1/b] - The school district did not receive a CBDG for the school year 2013-2014

BUDGETARY COMPARISON SCHEDULES

MANNINGTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,404,816	\$	\$ 2,404,816	\$ 2,404,816	\$
Tuition from Individuals	51,000		51,000	37,475	(13,525)
Tuition from Other LEAs				22,822	22,822
Interest on Capital Reserve	100		100	25	(75)
Interest on Investments				967	967
Miscellaneous	1,500		1,500	4,214	2,714
Total - Local Sources	2,457,416		2,457,416	2,470,319	12,903
State Sources:					
Equalization Aid	33,846		33,846	33,846	
Categorical Transportation Aid	117,432		117,432	117,432	
Categorical Special Education Aid	101,080		101,080	101,080	
Categorical Security Aid	29,905		29,905	29,905	
Adjustment Aid	274,086		274,086	274,086	
Non-public Transportation				169	169
Bullying Grant				299	299
On-Behalf TPAF Post Retirement Medical Contrib (non-budgeted)				81,977	81,977
On-Behalf TPAF Pension Contribution (non-budgeted)				49,998	49,998
Reimbursement TPAF Social Security (non-budgeted)				83,294	83,294
Total - State Sources	556,349		556,349	772,086	215,737
Federal Sources:					
Education Jobs Fund					
Total - Federal Sources					
TOTAL REVENUES	3,013,765		3,013,765	3,242,405	228,640
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	28,825	(8,004)	20,821	20,496	325
Kindergarten	106,294	(109)	106,185	105,450	735
Grades 1-5	434,142	(16,902)	417,240	416,423	817
Grades 6-8	297,383	(80)	297,303	296,645	658
Regular Programs - Undistributed Instruction:					
Salaries of Teachers	2,000	(2,000)			
Other Salaries for Instruction	19,790	1,255	21,045	20,940	105
Regular Programs - Home Instruction:					
Purchased Professional-Educational Services	24,066	33	24,099	24,099	
Purchased Technical Services	2,000	21,517	23,517	23,488	29
Other Purchased Services	20,388	2,100	22,488	20,653	1,835
General Supplies	27,145	(4,460)	22,685	20,002	2,683
Other Objects	1,000	(500)	500	456	44
Total Regular Programs - Instruction	\$ 963,033	\$ (7,150)	\$ 955,883	\$ 948,652	\$ 7,231

MANNINGTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES:					
Special Education - Instruction:					
Multiple Disabilities					
Salaries of Teachers	\$	\$	\$	\$	\$
General Supplies					
Total Multiple Disability					
Resource Room/Resource Center					
Salaries of Teachers	170,960	(2,240)	168,720	168,720	
General Supplies	2,100	200	2,300	2,103	197
Total Resource Room/Resource Center	173,060	(2,040)	171,020	170,823	197
Total Special Education - Instruction	173,060	(2,040)	171,020	170,823	197
Basic Skills/Remedial - Instruction					
Salaries of Teachers					
Total Basic Skills/Remedial - Instruction					
School Sponsored Co-curricular Activities					
Purchased Services	150		150	85	65
Other Objects	1,000		1,000	900	100
Total School Sponsored Co-curricular Activities	1,150		1,150	985	165
Total Instruction	1,137,243	(9,190)	1,128,053	1,120,460	7,593
Undistributed Expenditures:					
Instruction					
Tuition - Other LEAs Within the State - Regular	286,643	1,180	287,823	287,823	
Tuition - Other LEAs Within the State - Special	12,700		12,700	12,700	
Tuition - County Voc. School Dist. - Regular	48,000	(7,110)	40,890	40,500	390
Co.Spec.Services and Regional Day Schools	82,354	17,979	100,333	100,332	1
Tuition - Private Schools/Disabled Within State	52,104	33,861	85,965	85,963	2
Total Instruction	481,801	45,910	527,711	527,318	393
Attendance and Social Work Services:					
Salaries	12,051	(6,951)	5,100	5,100	
Total Attendance and Social Work Services	\$ 12,051	\$ (6,951)	\$ 5,100	\$ 5,100	\$

MANNINGTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Health Services:					
Salaries	\$ 35,117	\$	\$ 35,117	\$ 35,116	\$ 1
Purchased Professional/Technical Services	3,500	(600)	2,900	2,803	97
Supplies and Materials	1,400	100	1,500	1,422	78
Total Health Services	40,017	(500)	39,517	39,341	176
Other Support Services-Students-Related Services:					
Purchased Professional/Educational Services	33,448	16,855	50,303	50,303	
Supplies and Materials	100		100	45	55
Total Other Support Serv-Students-Related Services	33,548	16,855	50,403	50,348	55
Special Education - Extraordinary Services					
Salaries	104,892	6,297	111,189	106,743	4,446
Purchased Professional/Educational Services		1,540	1,540	1,540	
Total Special Education - Extraordinary Services	104,892	7,837	112,729	108,283	4,446
Other Support Services - Students - Regular:					
Supplies and Materials	100		100		100
Total Other Support Services - Students - Regular	100		100		100
Other Support Services-Students-Special Services:					
Salaries of Secretarial and Clerical Assistants	7,752	(4,352)	3,400	3,400	
Purchased Professional/Educational Services	17,125	(2,500)	14,625	14,009	616
Miscellaneous Purchased Services	300		300		300
Supplies and Materials	300		300		300
Total Other Support Serv-Students-Special Services	25,477	(6,852)	18,625	17,409	1,216
Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	4,550	(3,450)	1,100		1,100
Salaries of Secretarial and Clerical Assistants	8,199	(4,799)	3,400	3,400	
Other Purchased Services	500		500		500
Total Improvement of Instruction Services	13,249	(8,249)	5,000	3,400	1,600
Educational Media Services/School Library:					
Salaries	8,000	1,525	9,525	9,513	12
Purchased Professional/Technical Services	2,400		2,400	150	2,250
Supplies and Materials	2,500		2,500	195	2,305
Total Educational Media Services/School Library	\$ 12,900	\$ 1,525	\$ 14,425	\$ 9,858	\$ 4,567

MANNINGTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Instructional Staff Training Services:					
Purchased Professional/Educational Services	\$ 4,045	\$	\$ 4,045	\$	\$ 4,045
Other Purchased Services	2,000		2,000	955	1,045
Total Instructional Staff Training Services	6,045		6,045	955	5,090
Support Services - General Administration:					
Salaries	49,297	(30,216)	19,081	18,823	258
Legal Fees	2,000	(2,000)			
Audit Fees	11,425		11,425	11,250	175
Other Purchased Professional Services	5,050	13,334	18,384	15,772	2,612
Communications/Telephone	7,250	(250)	7,000	4,306	2,694
Other Purchased Services	9,600	250	9,850	7,291	2,559
General Supplies	1,000		1,000	558	442
BOE In-House Training/Meeting Supplies	150		150	21	129
Miscellaneous Expenditures	4,000	(380)	3,620	1,604	2,016
BOE Membership Dues and Fees	2,000	380	2,380	2,380	
Total Support Services - General Administration	91,772	(18,882)	72,890	62,005	10,885
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	40,950	36,967	77,917	77,917	
Salaries of Secretarial/Clerical Assistants	9,560	12,458	22,018	22,012	6
Supplies and Materials	1,000		1,000	190	810
Total Support Services - School Administration	51,510	49,425	100,935	100,119	816
Central Services:					
Salaries	16,923		16,923	15,638	1,285
Purchased Professional Services	67,130	(5,424)	61,706	61,664	42
Purchased Technical Services	7,086	1,424	8,510	8,510	
Miscellaneous Purchased Services	1,000	(1,000)			
Supplies and Materials	2,000	(1,000)	1,000	511	489
Other Objects		1,000	1,000	670	330
Miscellaneous Expenditures	2,000	(2,000)			
Total Central Services	96,139	(7,000)	89,139	86,993	2,146

MANNINGTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Operation and Maintenance of Plant Services:					
Required Maintenance for School Facilities:					
Increase in Maintenance Reserve	\$	\$	\$	\$	\$
Salaries	26,300	550	26,850	26,850	
Cleaning, Repair and Maintenance Services	6,500	4,184	10,684	10,684	
General Supplies	5,000	(734)	4,266	2,405	1,861
Total Required Maintenance for School Facilities	37,800	4,000	41,800	39,939	1,861
Undistributed Expenditures - Custodial Services					
Salaries	67,942	216	68,158	67,735	423
Purchased Professional/Technical Services	15,880	1,434	17,314	16,172	1,142
Cleaning, Repair and Maintenance Services	9,000	600	9,600	9,476	124
Insurance	12,875	(500)	12,375	12,227	148
Miscellaneous Purchased Services	800	(250)	550	550	
General Supplies	5,531	1,000	6,531	6,256	275
Energy (Electricity)	29,000	(1,000)	28,000	24,180	3,820
Energy (Natural Gas)	30,000		30,000	28,248	1,752
Total Other Operation and Maint. of Plant Services	171,028	1,500	172,528	164,844	7,684
Total Operation and Maintenance of Plant Services	208,828	5,500	214,328	204,783	9,545
Student Transportation Services:					
Sal. For Pupil Trans (Bet Home & School)- Reg	16,514	(11,414)	5,100	5,100	
Other Purchased Prof. And Technical Serv.	9,490		9,490	9,174	316
Contracted Services (Home/School) Vendors	157,937	1,180	159,117	150,466	8,651
Contracted Services (Not Home/School) Vendors	1,275	300	1,575	1,387	188
Contracted Services (Regular Students) ESC's	18,000	(7,180)	10,820	8,028	2,792
Contracted Services (Special Education) ESC's	38,000	(6,000)	32,000	24,308	7,692
Contracted Services - Aid in Lieu of Payments	1,793	(518)	1,275	887	388
Total Student Transportation Services	243,009	(23,632)	219,377	199,350	20,027
Unallocated Benefits:					
Social Security Contributions	28,000	620	28,620	28,620	
Other Retirement Contributions - PERS	42,500	(6,450)	36,050	35,805	245
Unemployment Compensation	6,000	780	6,780	6,780	
Workmen's Compensation	18,000		18,000	17,428	572
Health Benefits	552,712	(65,490)	487,222	448,249	38,973
Tuition Reimbursement	6,350	(5,856)	494		494
Other Employee Benefits	11,600	11,100	22,700	22,700	
Total Unallocated Benefits	665,162	(65,296)	599,866	559,582	40,284
On-Behalf TPAF Post Retirement. Medical Contrib.(non-budgeted)				81,977	(81,977)
On-Behalf TPAF Non-Contrib. Insurance (non-budgeted)				49,998	(49,998)
Reimbursed TPAF Soc. Sec. Contrib. (non-budgeted)				83,294	(83,294)
Total Undistributed Expenditures	2,086,500	(10,310)	2,076,190	2,190,113	(113,923)
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 3,223,743	\$ (19,500)	\$ 3,204,243	\$ 3,310,573	\$ (106,330)

MANNINGTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	\$ 100	\$	\$ 100	\$	\$ 100
Equipment					
Undistributed Expenditures - Instruction					
	100		100		100
Facilities Acquisition and Construction Services:					
Required Maintenance for School Facilities		14,000	14,000	14,000	
Total Facilities Acquisition and Construction Services		14,000	14,000	14,000	
TOTAL CAPITAL OUTLAY	100	14,000	14,100	14,000	100
TOTAL EXPENDITURES	3,223,843	(5,500)	3,218,343	3,324,573	(106,230)
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(210,078)	5,500	(204,578)	(82,168)	122,410
Other Financing Sources (uses):					
Transfer to Food Service	(6,000)	(15,500)	(21,500)	(21,500)	
Total Other Financing Sources	(6,000)	(15,500)	(21,500)	(21,500)	
Excess (deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(216,078)	(10,000)	(226,078)	(103,668)	122,410
Fund Balances, July 1	471,937		471,937	471,937	
Fund Balances, June 30	\$ 255,859	\$ (10,000)	\$ 245,859	\$ 368,269	\$ 122,410
<u>RECAPITULATION :</u>					
Restricted Fund Balance:					
Capital Reserve				\$ 17,071	
Assigned to Year-End Encumbrances				1,799	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				100,000	
Unassigned Fund Balance				249,399	
				368,269	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(65,633)	
Fund Balance per Governmental Funds (GAAP)				\$ 302,636	

MANNINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Federal Sources	\$ 71,475	\$ 41,884	\$ 113,359	\$ 113,359	\$
State Sources	56,001		56,001	56,001	
Other					
Total Revenues	<u>127,476</u>	<u>41,884</u>	<u>169,360</u>	<u>169,360</u>	
EXPENDITURES:					
Instruction					
Salaries of Teachers	73,457	2,215	75,672	75,672	
Other Purchased Services	1,764	9,983	11,747	8,528	
General Supplies	7,009	(2,229)	4,780	4,780	
Total Instruction	<u>82,230</u>	<u>9,969</u>	<u>92,199</u>	<u>88,980</u>	
Support Services					
Salaries - Other Professional		5,137	5,137	5,137	
Employee Benefits	4,364	364	4,728	4,729	
Purchased Professional/Technical Services	40,882	15,114	55,996	55,995	
Total Support Services	<u>45,246</u>	<u>20,615</u>	<u>65,861</u>	<u>65,861</u>	
Facilities Acquisition and Construction Services:					
Instructional Equipment		11,300	11,300	14,519	
Total Facilities Acquisition and Construction Services		<u>11,300</u>	<u>11,300</u>	<u>14,519</u>	
Total Expenditures	<u>127,476</u>	<u>41,884</u>	<u>169,360</u>	<u>169,360</u>	
Other Financing Sources (Uses)					
Total Outflows	<u>127,476</u>	<u>41,884</u>	<u>169,360</u>	<u>169,360</u>	
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

MANNINGTON TOWNSHIP SCHOOL DISTRICT
BUDGET-TO-GAAP RECONCILIATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule	[C-1] \$	3,242,405	[C-2] \$	169,360
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				(615)
State aid payment recognized for Gaap statements in the current year, previously recognized for budgetary purposes.		44,980		6,199
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		(65,633)		(5,600)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$	<u>3,221,752</u>	[B-2] \$	<u>169,344</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$	3,324,573	[C-2] \$	169,360
Differences - budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$	<u>3,324,573</u>	[B-2] \$	<u>169,360</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

EXHIBIT E-1
(1)

MANNINGTON TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)

	<u>NCLB</u> <u>Title I</u> <u>Part A</u>	<u>REAP</u>		<u>Sub-Total</u> <u>Per</u> <u>E-1(2)</u> <u>2013-14</u>	<u>Totals</u>	
		<u>Grant</u>	<u>C/O</u>		<u>2014</u>	<u>2013</u>
REVENUES:						
Federal Sources	\$ 29,537	\$ 19,054	\$ 8,773	\$ 55,995	\$ 113,359	\$ 98,589
State Sources				56,001	56,001	61,987
Other						2,926
Total Revenues	<u>29,537</u>	<u>19,054</u>	<u>8,773</u>	<u>111,996</u>	<u>169,360</u>	<u>163,502</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	24,808			50,864	75,672	72,324
Other Purchased Services		3,919	4,609		8,528	8,017
General Supplies		616	4,164		4,780	3,439
Equipment						3,439
Total Instruction	<u>24,808</u>	<u>4,535</u>	<u>8,773</u>	<u>50,864</u>	<u>88,980</u>	<u>87,219</u>
Support Services:						
Salaries - Other Professionals				5,137	5,137	13,533
Salaries - Other Instruction						3,330
Employee Benefits	4,729				4,729	5,485
Purchased Professional/Technical Services				55,995	55,995	54,198
Other Purchased Professional/Technical						250
Supplies & Materials						2,926
Total Support Services	<u>4,729</u>			<u>61,132</u>	<u>65,861</u>	<u>79,722</u>
Facilities Acquisition/Construction:						
Instructional Equipment		14,519			14,519	
Total Facilities Acquisition/Construction		<u>14,519</u>			<u>14,519</u>	
Total Expenditures	<u>\$ 29,537</u>	<u>\$ 19,054</u>	<u>\$ 8,773</u>	<u>\$ 111,996</u>	<u>\$ 169,360</u>	<u>\$ 166,941</u>

MANNINGTON TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)

	Title IIA	Preschool Education Program	IDEA		Totals 2014
			Part B	Part B Pre- School	
REVENUES:					
Federal Sources	\$ 5,510	\$	\$ 49,795	\$ 690	\$ 55,995
State Sources		56,001			56,001
Other					
Total Revenues	5,510	56,001	49,795	690	111,996
EXPENDITURES:					
Instruction:					
Salaries of Teachers		50,864			50,864
Other Purchased Services					
General Supplies					
Total Instruction		50,864			50,864
Support Services:					
Salaries - Other Professionals		5,137			5,137
Salaries - Other Instruction					
Employee Benefits					
Purchased Professional/Technical Services	5,510		49,795	690	55,995
Supplies & Materials					
Total Support Services	5,510	5,137	49,795	690	61,132
Facilities Acquisition/Construction:					
Instructional Equipment					
Total Facilities Acquisition/Construction					
Total Expenditures	\$ 5,510	\$ 56,001	\$ 49,795	\$ 690	\$ 111,996

MANNINGTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 50,864	\$ 50,864	\$
Total Instruction	<u>50,864</u>	<u>50,864</u>	
Support Services:			
Salaries of Supervisors of Instruction	5,137	5,137	
Total Support Services	<u>5,137</u>	<u>5,137</u>	
Facilities Acquisition and Const. Services:			
Instructional Equipment			
Non-instructional Equipment			
Total Facilities Acquisition and Const. Services			
Contribution to Charter Schools			
Total Expenditures	<u>\$ 56,001</u>	<u>\$ 56,001</u>	<u>\$</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2013-14 Preschool Education Aid Allocation	\$ 56,001	(1)
Add: Actual ECPA Carryover (June 30, 2013)		(2)
Add: Budgeted Transfer from General Fund 2013-14		(3)
Total Preschool Education Aid Funds Available for 2013-14 Budget	<u>56,001</u>	(4)
Less: 2013-14 Budgeted Preschool Education Aid and Prior Year Budgeted (Carryover)	<u>(56,001)</u>	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2014	-	(6)
Add: June 30, 2014 Unexpended Preschool Education Aid	-	(7)
2013-14 Carryover - Preschool Education Aid	<u>-</u>	(8)
2013-14 Preschool Education Aid Carryover Budgeted for Preschool Programs 2014-15	<u>-</u>	(9)

CAPITAL PROJECTS FUND DETAIL STATEMENT

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services for the schools within the school district.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5
AND B-6.**

MANNINGTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINED SCHEDULE OF NET POSITION
AS OF JUNE 30, 2014 AND 2013

	Food Service Fund	Total	
		2014	2013
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$	\$	\$
Accounts Receivable:			
State	89	89	90
Federal	2,232	2,232	1,830
Other	77	77	
Inventories			173
Total Current Assets	2,398	2,398	2,093
Fixed Assets:			
Equipment	8,567	8,567	8,567
Accumulated Depreciation	(4,106)	(4,106)	(3,563)
Total Fixed Assets	4,461	4,461	5,004
Total Assets	6,859	6,859	7,097
LIABILITIES:			
Current Liabilities:			
Unearned Revenue	669	669	83
Cash Overdraft	1,529	1,529	1,362
Total Current Liabilities	2,198	2,198	1,445
Total Liabilities	2,198	2,198	1,445
NET POSITION:			
Investment in Fixed Assets	4,461	4,461	5,004
Unrestricted	200	200	648
Total Net Position	\$ 4,661	\$ 4,661	\$ 5,652

MANNINGTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	Food Service Fund	Total	
		2014	2013
OPERATING REVENUES:			
Local Sources:			
Food Sales Reimbursable Programs	\$ 19,909	\$ 19,909	\$ 23,775
Food Sales Non-Reimbursable Programs	11,099	11,099	8,847
Total Operating Revenue	31,008	31,008	32,622
OPERATING EXPENSES:			
Cost of Sales	62,945	62,945	59,583
Salaries	23,082	23,082	22,336
Employee Benefits	1,766	1,766	1,685
Repairs and Maintenance			
General Supplies	719	719	11,028
Other Purchased Services	349	349	337
Depreciation	543	543	543
Total Operating Expenses	89,404	89,404	95,512
Operating Income/(Loss)	(58,396)	(58,396)	(62,890)
NON-OPERATING REVENUES:			
State Sources:			
State School Lunch Program	666	666	808
Federal Sources:			
National School Lunch Program	21,438	21,438	24,173
School Breakfast Program	5,880	5,880	5,507
USDA Commodities	7,921	7,921	9,456
Total Non-Operating Revenues	35,905	35,905	39,944
Fixed Asset Adjustment			(1,597)
Change in Net Position before Operating Transfers			
In/(Out)	(22,491)	(22,491)	(24,543)
Operating Transfer In - General Fund	21,500	21,500	22,000
Net (Loss) Income	(991)	(991)	(2,543)
Net Position - July 1	5,652	5,652	8,195
Net Position - June 30	\$ 4,661	\$ 4,661	\$ 5,652

MANNINGTON TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2014

	<u>Food Service Fund</u>	<u>Total</u>	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ (58,396)	\$ (58,396)	\$ (58,396)	\$ (62,890)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:				
Depreciation	543	543	543	543
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	(478)	(478)	(478)	(1,015)
(Increase)/Decrease in Inventory	173	173	173	145
Increase/(Decrease) in Unearned Revenue	586	586	586	(89)
Net Cash Used by Operating Activities	<u>(57,572)</u>	<u>(57,572)</u>	<u>(57,572)</u>	<u>(63,306)</u>
Cash Flows from Noncapital Financing Activities				
Operating Transfer In-General Fund	21,500	21,500	21,500	22,000
Cash Received from State and Federal Reimbursements	35,905	35,905	35,905	39,944
Net Cash Provided by Noncapital Financing Activities	<u>57,405</u>	<u>57,405</u>	<u>57,405</u>	<u>61,944</u>
Net Increase (Decrease) in Cash	(167)	(167)	(167)	(1,362)
Cash and Cash Equivalents, July 1 (Overdraft)	<u>(1,362)</u>	<u>(1,362)</u>	<u>(1,362)</u>	<u></u>
Cash and Cash Equivalents, June 30 (Overdraft)	<u>\$ (1,529)</u>	<u>\$ (1,529)</u>	<u>\$ (1,529)</u>	<u>\$ (1,362)</u>

MANNINGTON TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS:		
Accounts Receivable (Jersey City)	\$ 15,266	\$ 21,650
Total Assets	<u>\$ 15,266</u>	<u>\$ 21,650</u>
LIABILITIES:		
Cash Overdraft	\$ 15,266	\$ 21,650
Total Liabilities	<u>\$ 15,266</u>	<u>\$ 21,650</u>

MANNINGTON TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND

**Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Years Ended 2014 and 2013**

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES:		
Salaries - Other Instruction	\$ 11,700	\$ 13,338
Total Operating Revenue	<u>11,700</u>	<u>13,338</u>
OPERATING EXPENSES:		
Salaries-Other Professional	7,022	8,093
Employee Benefits	4,678	5,245
Total Operating Expenses	<u>11,700</u>	<u>13,338</u>
Net Income (Loss)	<u> </u>	<u> </u>
Net Position - July 1	<u> </u>	<u> </u>
Net Position - June 30	<u>\$ -</u>	<u>\$ -</u>

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$	\$
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities		
Change in Assets and Liabilities		
(Increase)/Decrease in Accounts Receivable		
Increase/(Decrease) in Unearned Revenue		
Net Cash Provided (Used) by Operating Activities		
Cash Flows from Non-capital Financing Activities:		
Cash Received from General Fund	6,384	
Net Cash Provided by Non-capital Financing Activities	6,384	
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets		
Net Cash Used for Capital and Related Financing Activities		
Net Increase in Cash and Cash Equivalents	6,384	
Cash and cash equivalents, July 1	(21,650)	(21,650)
Cash and cash equivalents, June 30 (Overdraft)	\$ (15,266)	\$ (21,650)

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>	
			<u>2014</u>	<u>2013</u>
ASSETS:				
Cash and Cash Equivalents	\$ 16,087	\$ 21,490	\$ 37,577	\$ 33,234
Total Assets	<u>\$ 16,087</u>	<u>\$ 21,490</u>	<u>\$ 37,577</u>	<u>\$ 33,234</u>
LIABILITIES AND NET POSITION:				
Liabilities:				
Due to Student Groups	\$ 16,087	\$	\$ 16,087	\$ 12,827
Due to General fund		3,204	3,204	4,400
Medical Reimbursement Plan		18,286	18,286	16,007
Total Liabilities	<u>\$ 16,087</u>	<u>\$ 21,490</u>	<u>\$ 37,577</u>	<u>\$ 33,234</u>

MANNINGTON TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Cash Receipts	Cash Disbursements	Accounts Payable	Balance June 30, 2014
Elementary School	\$ 12,827	\$ 19,632	\$ 16,372	\$	\$ 16,087
Band Account					\$ 1,635
General					4,129
Playground					51
Smile Train					2
Box Tops					1,718
8th Grade					916
Garden					2,872
Interest & Other					247
Student Council					2
Science Environmental Award					4,515
Total					\$ 16,087

MANNINGTON TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
ASSETS:				
Cash and Cash Equivalents	\$ 20,407	\$ 1,754,335	\$ 1,753,252	\$ 21,490
	<u>\$ 20,407</u>	<u>\$ 1,754,335</u>	<u>\$ 1,753,252</u>	<u>\$ 21,490</u>
LIABILITIES:				
Net Payroll	\$	\$ 954,421	\$ 954,421	\$
Payroll Deductions and Withholdings		779,144	779,144	
Due to General Fund	4,400	4,173	5,369	3,204
Medical Reimbursement Plan	16,007	16,597	14,318	18,286
Total Liabilities	<u>\$ 20,407</u>	<u>\$ 1,754,335</u>	<u>\$ 1,753,252</u>	<u>\$ 21,490</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATION UNDER SERIAL BONDS
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2013	Issued	Retired	Balance June 30, 2014
			Date	Amount					
Renovations to the Elementary School	3/1/06	\$ 2,218,000	3/1/15	100,000	4.182%				
			3/1/16	110,000					
			3/1/17	115,000					
			3/1/18	120,000					
			3/1/19	125,000					
			3/1/20	130,000					
			3/1/21	135,000					
			3/1/22	140,000					
			3/1/23-24	145,000					
			3/1/25	150,000					
			3/1/26	148,000					
						\$ 1,658,000	\$	\$ 95,000	\$ 1,563,000

MANNINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATION UNDER CAPITAL LEASE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

<u>Purpose</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2013</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2014</u>
			<u>Principal</u>	<u>Interest</u>					
Roof Replacement Project	7/1/00	15 years	\$ 400,000	\$ 214,056	6.204%	\$ 71,968	\$	\$ 34,902	\$ 37,066
Total						\$ 71,968	\$	\$ 34,902	\$ 37,066

MANNINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
Local Sources					
Local Tax Levy	\$ 134,346	\$	\$ 134,346	\$ 134,346	\$
State Sources					
Debt Service Aid - Type II	69,210		69,210	69,210	
Total Revenues	<u>203,556</u>		<u>203,556</u>	<u>203,556</u>	
EXPENDITURES:					
Regular Debt Service					
Redemption of Bond Principal	95,000		95,000	95,000	
Redemption of Capital Lease Principal	34,902		34,902	34,902	
Interest on Bonds	69,189		69,189	69,189	
Interest on Capital Lease	4,465		4,465	4,465	
Total Expenditures	<u>203,556</u>		<u>203,556</u>	<u>203,556</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					
Fund Balance - July 1, 2013	<u>5</u>		<u>5</u>	<u>5</u>	
Fund Balance - June 30, 2014	<u>\$ 5</u>	<u>\$</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$</u>

STATISTICAL SECTION

MANNINGTON TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ (204,125)	\$ (1,570,583)	\$ (278,802)	\$ (146,614)	\$ (99,512)	\$ (176,388)	\$ (174,709)	\$ (280,504)	\$ (170,290)	\$ (133,151)
Restricted	16,547	1,790,058	416,562	300,623	308,503	194,308	201,286	296,866	236,930	111,476
Unrestricted	462,684	27,309	214,224	213,443	137,058	110,390	111,369	183,990	27,717	49,339
Total Governmental Activities Net Position	\$ 275,106	\$ 246,784	\$ 351,984	\$ 367,452	\$ 346,049	\$ 128,310	\$ 137,946	\$ 200,352	\$ 94,357	\$ 27,664
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 2,476	\$ 6,135	\$ 5,803	\$ 5,471	\$ 5,139	\$ 4,807	\$ 7,686	\$ 7,144	\$ 5,004	\$ 4,461
Unrestricted	7,226	4,823	8,668	14,621	24,357	34,216	20,657	1,051	648	200
Total Business-Type Activities Net Position	\$ 9,702	\$ 10,958	\$ 14,471	\$ 20,092	\$ 29,496	\$ 39,023	\$ 28,343	\$ 8,195	\$ 5,652	\$ 4,661
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ (201,649)	\$ (1,564,448)	\$ (272,999)	\$ (141,143)	\$ (94,373)	\$ (171,581)	\$ (167,023)	\$ (273,360)	\$ (165,286)	\$ (128,690)
Restricted	16,547	1,790,058	416,562	300,623	308,503	194,308	201,286	296,866	236,930	111,476
Unrestricted	469,910	32,132	222,892	228,064	161,415	144,606	132,026	185,041	28,365	49,539
Total District-Wide Net Position	\$ 284,808	\$ 257,742	\$ 366,455	\$ 387,544	\$ 375,545	\$ 167,333	\$ 166,289	\$ 208,547	\$ 100,009	\$ 32,325

Source: CAFR Schedule A-1

MANNINGTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 845,192	868,918	936,682	982,172	1,021,115	1,021,209	1,022,099	1,055,363	1,080,289	1,106,427
Special Education	323,513	288,348	191,799	198,951	208,938	226,452	195,531	166,555	174,368	173,722
Other Special Education	3,300	3,346	2,062	3,300	3,300	1,100				
Other Instruction	3,501	1,131	5,601	8,156	719	1,531	1,565	1,222	1,016	1,397
Support Services										
Tuition	550,920	594,159	519,311	563,281	531,577	599,893	366,720	434,999	417,605	527,318
Student and Instruction Related Services	136,486	169,393	257,862	268,909	292,475	323,817	332,623	366,400	351,150	326,640
General Administrative Services	214,395	104,011	104,069	96,244	95,053	94,020	53,654	57,669	57,703	65,899
School Administrative Services	63,292	52,871	52,566	46,614	48,590	48,931	98,188	92,607	90,222	107,832
Central Services		71,512	68,125	75,219	74,448	82,963	86,320	88,891	90,505	92,039
Plant Operations and Maintenance	179,101	177,872	172,627	179,771	205,318	204,116	201,174	192,824	199,831	217,577
Pupil Transportation	140,621	188,861	198,814	198,204	211,450	238,042	251,364	276,904	236,136	199,350
Employee Benefits	600,746	646,710	721,648	784,334	646,696	673,578	772,498	774,539	862,689	763,130
Amortization of Debt Issue Costs		1,789	1,789	1,789	1,789	1,789	1,789	1,789		
Interest on Long-Term Debt	19,062	48,333	105,633	101,421	96,477	91,704	88,505	79,596	76,053	70,214
Total Governmental Activities Expense	3,080,129	3,217,254	3,338,588	3,508,365	3,437,945	3,609,145	3,472,030	3,589,358	3,637,567	3,651,545
Business-Type Activities										
Food Service	67,129	68,471	68,026	78,045	77,179	81,222	74,830	85,586	95,512	89,404
Total Business-Type Activities Expense	67,129	68,471	68,026	78,045	77,179	81,222	74,830	85,586	95,512	89,404
Total District Expenses	\$ 3,147,258	3,285,725	3,406,614	3,586,410	3,515,124	3,690,367	3,546,860	3,674,944	3,733,079	3,740,949
Program Revenues										
Governmental Activities										
Charge for Services										
Instruction (Tuition)	\$ 238,166	65,103					26,200	62,517	13,338	11,700
Operating Grants and Contributions	216,969	303,695	591,753	595,107	325,358	349,632	350,409	399,852	409,855	369,495
Total Governmental Activities Prog. Revenues	455,135	368,798	591,753	595,107	325,358	349,632	376,609	462,369	423,193	381,195
Business-Type Activities										
Charges for Services										
Food Service	29,648	27,480	28,772	35,105	38,291	33,657	27,767	32,591	32,622	31,008
Operating Grants and Contributions	23,780	26,353	27,767	33,561	33,292	45,092	36,383	31,000	39,944	35,905
Total Business-Type Activities Prog. Revenues	53,428	53,833	56,539	68,666	71,583	78,749	64,150	63,591	72,566	66,913
Total District Program Revenues	\$ 508,563	422,631	648,292	663,773	396,941	428,381	440,759	525,960	495,759	448,108
Net (Expense) Revenues										
Governmental Activities	\$ (2,624,994)	(2,848,456)	(2,746,835)	(2,913,258)	(3,112,587)	(3,259,513)	(3,095,421)	(3,126,989)	(3,214,374)	(3,270,350)
Business-Type Activities	(13,701)	(14,638)	(11,487)	(9,379)	(5,596)	(2,473)	(10,680)	(21,995)	(22,946)	(22,491)
Total District-Wide Net Expenses	\$ (2,638,695)	(2,863,094)	(2,758,322)	(2,922,637)	(3,118,183)	(3,261,986)	(3,106,101)	(3,148,984)	(3,237,320)	(3,292,841)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purpose, Net	\$ 1,764,193	1,870,090	2,052,703	2,131,540	2,216,802	2,305,465	2,307,927	2,311,434	2,357,663	2,404,816
Taxes Levied for Debt Service	23,619	23,621	123,574	121,775	119,974	121,173	131,178	132,367	133,422	134,346
Unrestricted Grants and Contributions	509,892	763,050	607,690	625,551	714,275	673,116	612,750	664,293	605,108	620,492
Restricted Grants, Tuition and Contributions	317,512									
Tuition		98,772	35,460	34,803	48,768	47,749	48,940	83,984	63,625	60,297
Investment Earnings	12,101	57,037	57,579	28,641	5,781	2,526	2,126	1,771	1,575	992
Miscellaneous Income	885	1,853	6,494	1,416	584	2,533	2,136	8,795	9,713	4,214
Transfers	(10,000)	(12,000)	(15,000)	(15,000)	(15,000)	(12,000)		(1,847)	(22,000)	(21,500)
Fixed Assets Adjustments	399	17,711	(16,465)			(98,788)		(11,402)	(17,463)	
Total Governmental Activities	2,618,601	2,820,134	2,852,035	2,928,726	3,091,184	3,041,774	3,105,057	3,189,395	3,131,643	3,203,657
Business-Type Activities										
Fixed Asset Adjustments		3,894							(1,597)	
Transfers	10,000	12,000	15,000	15,000	15,000	12,000		1,847	22,000	21,500
Total Business-Type Activities	10,000	15,894	15,000	15,000	15,000	12,000	1,847	20,403	21,500	
Total District-Wide	\$ 2,628,601	2,836,028	2,867,035	2,943,726	3,106,184	3,053,774	3,105,057	3,191,242	3,152,046	3,225,157
Change in Net Position										
Governmental Activities	\$ (6,393)	(28,322)	105,200	15,468	(21,403)	(217,739)	9,636	62,406	(82,731)	(66,693)
Business-Type Activities	(3,701)	1,256	3,513	5,621	9,404	9,527	(10,680)	(20,148)	(2,543)	(991)
Total District-Wide	\$ (10,094)	(27,066)	108,713	21,089	(11,999)	(208,212)	(1,044)	42,258	(85,274)	(67,684)

Source: CAFR Schedule A-2

MANNINGTON TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Restricted	\$ 373,145	\$ 392,330	\$ 335,105	\$ 295,003	\$ 308,955	\$ 155,072	\$ 208,427	\$ 304,696	\$ 243,124	\$ 117,071
Assigned										1,799
Unassigned	139,265	78,687	228,405	254,673	187,444	224,560	198,249	191,493	183,833	183,766
Total General Fund	<u>\$ 512,410</u>	<u>\$ 471,017</u>	<u>\$ 563,510</u>	<u>\$ 549,676</u>	<u>\$ 496,399</u>	<u>\$ 379,632</u>	<u>\$ 406,676</u>	<u>\$ 496,189</u>	<u>\$ 426,957</u>	<u>\$ 302,636</u>
All Other Governmental Funds										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved, Reported in:										
Special Revenue Fund	(7,672)	(7,672)	(7,671)	(8,546)	(6,634)	(6,801)	(7,144)	(7,831)	(6,199)	(5,600)
Capital Projects Fund		1,398,338	105,733	19,588	8,248					
Debt Service Fund				2	2	3	3	4	5	5
Total All Other Governmental Funds	<u>\$ (7,672)</u>	<u>\$ 1,390,666</u>	<u>\$ 98,062</u>	<u>\$ 11,044</u>	<u>\$ 1,616</u>	<u>\$ (6,798)</u>	<u>\$ (7,141)</u>	<u>\$ (7,827)</u>	<u>\$ (6,194)</u>	<u>\$ (5,595)</u>

Source: CAFR Schedule B-1

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Tax Levy	\$ 1,787,812	\$ 1,893,711	\$ 2,176,277	\$ 2,253,315	\$ 2,336,776	\$ 2,426,638	\$ 2,439,105	\$ 2,443,801	\$ 2,491,085	\$ 2,539,162
Tuition Charges	153,555	98,772	35,460	34,803	48,768	47,749	48,940	83,984	63,625	60,297
Interest Earnings	12,101	57,037	57,579	28,641	5,781	2,526	2,126	1,771	1,575	992
Miscellaneous	885	1,853	14,994	4,416	6,173	2,533	2,136	8,795	9,713	4,214
State Sources	911,670	931,953	1,070,187	1,108,415	923,030	868,221	833,126	915,976	916,374	877,243
Federal Sources	132,703	134,792	120,756	109,243	115,603	154,527	130,033	148,169	98,589	112,744
Total Revenues	2,998,726	3,118,118	3,475,253	3,538,833	3,436,131	3,502,194	3,455,466	3,602,496	3,580,961	3,594,652
Expenditures										
Instruction										
Regular Instruction	831,434	860,055	902,798	947,361	984,633	959,868	954,585	988,494	1,012,742	1,037,017
Special Education Instruction	237,817	222,638	184,861	191,823	201,468	213,892	192,712	163,762	171,547	170,823
Other Special Instruction	3,300	3,300	2,062	3,300	3,300	1,100				
Other instruction	3,286	1,131	5,398	7,947	500	1,163	1,164	825	615	985
Support Services										
Tuition	550,920	594,159	519,311	563,281	531,577	599,893	366,720	434,999	417,605	527,318
Student and Instruction Related Services	133,765	167,659	248,534	259,326	282,432	306,931	287,831	285,469	319,211	295,826
General administration		102,946	100,304	92,376	90,999	87,204	49,867	50,238	50,196	62,005
School Administrative Services	60,595	52,330	50,665	44,661	46,543	45,489	90,685	88,856	86,433	100,119
Other Administrative Services	211,698									
Central Services		70,780	65,661	72,688	71,795	78,502	81,412	84,030	85,595	86,993
Plant Operations and Maintenance	178,324	176,051	166,382	173,355	198,594	192,810	188,728	180,497	187,379	204,783
Pupil Transportation	140,621	188,861	198,814	198,204	211,450	238,042	251,364	276,904	236,136	199,350
Employee Benefits	597,846	656,735	717,013	768,044	644,626	656,868	754,428	757,196	827,594	779,580
Capital Outlay	9,448	831,161	1,292,605	99,364	15,963	31,658	10,513		29,349	28,519
Debt Service										
Principal	20,304	21,564	97,902	99,323	100,831	107,434	109,136	115,943	122,863	129,902
Interest and Other Charges	19,062	17,803	108,054	103,632	99,125	94,521	89,620	84,612	79,292	73,654
Total Expenditures	2,998,420	3,967,173	4,660,364	3,624,685	3,483,836	3,615,375	3,428,765	3,511,825	3,626,557	3,696,874
Excess (Deficiency) of Revenues Over (Under) Expenditures	306	(849,055)	(1,185,111)	(85,852)	(47,705)	(113,181)	26,701	90,671	(45,596)	(102,222)
Other Financing Sources (Uses)										
Bond Proceeds		2,218,000								
Transfers Out	(10,000)	(12,000)	(15,000)	(15,000)	(15,000)	(12,000)		(1,847)	(22,000)	(21,500)
Total Other Financing Sources (Uses)	(10,000)	2,206,000	(15,000)	(15,000)	(15,000)	(12,000)		(1,847)	(22,000)	(21,500)
Net Change in Fund Balances	\$ (9,694)	\$ 1,356,945	\$ (1,200,111)	\$ (100,852)	\$ (62,705)	\$ (125,181)	\$ 26,701	\$ 88,824	\$ (67,596)	\$ (123,722)
Debt Service as a Percentage of Noncapital Expenditures	1.3%	1.0%	4.4%	5.6%	5.7%	5.6%	5.8%	5.7%	5.6%	5.5%

Source: CAFR Schedule B-2

MANNINGTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Misc.</u>	<u>Total</u>
2014	\$ 992	\$ 60,297	\$ 4,214	\$ 65,503
2013	1,575	63,625	6,787	71,987
2012	1,771	48,940	2,136	52,847
2011	2,126	48,940	2,136	53,202
2010	2,526	47,749	1,533	51,808
2009	5,781	48,768	5,173	59,722
2008	28,641	34,803	1,416	64,860
2007	47,747	35,460	14,994	98,201 *
2006	35,815	98,772	2,379	136,966
2005	12,101	153,555	885	166,541

* Excludes Capital Project Interest of \$9,832

Source: District Records

MANNINGTON TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual County Equalized Value
2014	\$ 4,240,200	\$ 71,041,000	\$ 47,705,900	\$ 7,632,300	\$ 47,885,900	\$ 37,709,600	\$	\$ 216,214,900	\$ 475,531	\$ 216,690,431	1.250	\$ 173,352,345 *
2013	4,239,400	70,875,700	48,270,600	7,634,900	47,635,900	41,984,600		220,641,100	656,193	221,297,293	1.148	220,641,100
2012	4,341,400	71,591,800	48,404,200	7,557,100	48,284,100	41,984,600		222,163,200	683,136	222,846,336	1.118	225,615,111
2011	4,122,500	71,392,300	46,769,600	7,634,900	44,220,900	41,984,600		216,124,800	716,136	216,840,936	1.127	211,460,478
2010	4,397,400	71,794,100	46,640,600	7,667,000	44,902,300	41,984,600		217,386,000	921,836	218,307,836	1.117	211,460,478
2009	4,410,700	70,180,800	47,490,900	7,827,900	45,095,300	41,984,600		216,990,200	941,055	217,931,255	1.115	214,196,524
2008	3,672,000	68,437,300	47,239,500	7,592,600	45,095,300	52,645,400		224,682,100	866,372	225,548,472	1.037	211,143,852
2007	3,587,000	68,537,100	45,892,800	7,591,300	45,123,000	52,645,400		223,376,600	795,516	224,172,116	1.005	206,255,965
2006	3,490,500	67,886,000	45,199,600	7,609,500	45,275,000	52,645,400		222,106,000	795,516	222,901,516	1.523	192,254,545
2005	1,464,400	36,980,900	25,433,100	4,968,200	26,732,900	28,112,200		123,691,700	629,829	124,321,529	1.440	186,676,275

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

* Estimate

MANNINGTON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)

Year Ended June 30,	Mannington Township Board of Education			Overlapping Rates			
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Mannington Township	Salem County	REAP CREDIT	Total
2014	\$ 1.184	\$ 0.066	\$ 1.250	\$ 0.297	\$ 0.898	\$	\$ 2.445
2013	1.087	0.061	1.148	0.297	0.941		2.386
2012	1.057	0.061	1.118	0.298	0.972		2.388
2011	1.066	0.061	1.127	0.288	0.919		2.334
2010	1.061	0.056	1.117	0.288	0.855		2.260
2009	1.058	0.057	1.115	0.273	0.872	-0.017	2.243
2008	0.981	0.056	1.037	0.229	0.894		2.160
2007	0.948	0.057	1.005	0.209	0.807	-0.066	1.955
2006	1.504	0.019	1.523	0.105	1.454		3.082
2005	1.421	0.019	1.440	0.100	1.240		2.780

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	<u>2014</u>		<u>2005</u>	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Mannington Mills, Inc.	\$ 38,401,600	17.72%	\$	
Salem Hospital Corp	34,175,800	15.77%		
Golden Rehab & Nursing	4,065,000	1.88%		
Four B's	1,450,000	0.67%		
Marino Brothers	1,160,000	0.54%		
ISE America, Inc	1,122,700	0.52%		
ACJM & M Enterprises	1,025,000	0.47%		
Waldac Farm	959,200	0.44%		
Individual Taxpayer #1	918,500	0.42%		
Individual Taxpayer #2	917,700	0.42%		
Total	\$ 84,195,500	38.86%	\$ -	-

Not Available

Source: District CAFR & Municipal Tax Assessor

MANNINGTON TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year		Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
			Amount	% of Levy	
2014	\$	2,539,162	\$ 2,539,162	100%	\$
2013		2,491,085	2,491,085	100%	
2012		2,443,801	2,443,801	100%	
2011		2,439,105	2,439,105	100%	
2010		2,426,638	2,426,638	100%	
2009		2,336,776	2,336,776	100%	
2008		2,253,315	2,253,315	100%	
2007		2,176,547	2,176,547	100%	
2006		1,893,711	1,893,711	100%	
2005		1,830,643	1,830,643	100%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, the amount voted upon or certified prior to the end of the school year.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2014	\$ 1,563,000	\$ 37,066	\$	\$	\$ 1,600,066	2.09%	\$ 895	*
2013	1,658,000	71,968			1,729,968	2.27%	959	
2012	1,748,000	104,831			1,852,831	2.50%	1,028	
2011	1,833,000	135,774			1,968,774	2.74%	1,091	
2010	1,913,000	164,910			2,077,910	3.40%	1,375	
2009	1,993,000	192,344			2,185,344	3.68%	1,443	
2008	2,068,000	218,175			2,286,175	4.07%	1,551	
2007	2,143,000	242,498			2,385,498	4.38%	1,581	
2006	2,218,000	265,400			2,483,400	4.84%	1,701	
2005		286,964			286,964	0.57%	190	

* Estimate

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

MANNINGTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 1,563,000	\$	\$ 1,563,000	0.902%	\$ 874 *
2013	1,658,000		1,658,000	0.751%	920
2012	1,748,000		1,748,000	0.775%	970
2011	1,833,000		1,833,000	0.867%	1,016
2010	1,913,000		1,913,000	0.876%	1,229
2009	1,993,000		1,993,000	0.915%	1,281
2008	2,068,000		2,068,000	0.917%	1,326
2007	2,143,000		2,143,000	0.956%	1,379
2006	2,218,000		2,218,000	0.995%	1,429
2005					

* Estimate

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-13.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Township of Mannington	\$ 250,000	100.00%	\$ 250,000
Other Debt			
County of Salem - Township's Share	45,996,464	3.16%	1,452,168
Subtotal, Overlapping Debt			1,702,168
Mannington Township School District Direct Debt			1,563,000
Total Direct and Overlapping Debt			\$ 3,265,168

Sources: Mannington Township Finance Officer and Salem County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Mannington. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2014

	Equalized Valuation Basis
	2013 \$ 201,241,426
	2012 212,983,607
	2011 219,482,888
	<u>[A] \$ 633,707,921</u>
Average Equalized Valuation of Taxable Property	<u>[A/3] \$ 211,235,974</u>
Debt Limit (3% of Average Equalization Value)	<u>[B] 6,337,079 a</u>
Net Bonded School Debt	<u>[C] 1,563,000</u>
Legal Debt Margin	<u>[B-C] \$ 4,774,079</u>

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 4,632,361	\$ 5,083,753	\$ 5,470,602	\$ 5,792,679	\$ 6,088,936	\$ 6,278,897	\$ 6,420,777	\$ 6,452,586	\$ 6,521,149	\$ 6,337,079
Total Net Debt Applicable to Limit		2,218,000	2,143,000	2,068,000	1,993,000	1,913,000	1,833,000	1,748,000	1,658,000	1,563,000
Legal Debt Margin	<u>\$ 4,632,361</u>	<u>\$ 2,865,753</u>	<u>\$ 3,327,602</u>	<u>\$ 3,724,679</u>	<u>\$ 4,095,936</u>	<u>\$ 4,365,897</u>	<u>\$ 4,587,777</u>	<u>\$ 2,643,313</u>	<u>\$ 4,863,149</u>	<u>\$ 4,774,079</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0%	44%	39%	36%	33%	30%	29%	27%	25%	25%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

MANNINGTON TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>		<u>Population ^a</u>		<u>Personal Income (thousands of dollars) ^b</u>		<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2014	**	1,775	\$	76,682,192	\$	43,201	9.80%
2013		1,788		76,479,018		42,774	9.60%
2012		1,803		76,357,050		42,350	7.90%
2011		1,802		74,227,984		41,192	7.70%
2010		1,804		71,959,756		39,889	8.10%
2009		1,556		60,898,728		39,138	7.60%
2008		1,560		61,236,240		39,254	4.40%
2007		1,554		57,743,532		37,158	3.50%
2006		1,552		55,106,864		35,507	3.50%
2005		1,541		52,122,784		33,824	3.50%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

** Estimate

MANNINGTON TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2014</u>			<u>2005</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Mannington Mills, Inc	610	1	36.64%	Not Available	
Memorial Hospital of Salem	600	2	36.04%		
Salem County Correctional Fac.	170	3	10.21%		
Salem County VoTech School	154	4	9.25%		
Salem County Nursing Home	100	5	6.01%		
Mannington Twp School	31	6	1.86%		
	<u>1,665</u>		<u>100.0%</u>		

MANNINGTON TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction										
Regular	10.0	10.0	13.3	14.5	14.8	15.2	14.8	14.8	14.8	14.8
Special Education	4.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Other Special Education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vocational	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Instruction	5.0	5.0	6.5	6.5	7.0	7.0	5.0	5.5	5.5	5.5
Nonpublic School Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adult/Continuing Education Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Support Services:										
Tuition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Student & Instruction Related Services	7.0	6.0	1.5	0.8	0.8	0.8	0.6	0.6	0.6	0.6
General Administrative Services	4.5	4.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
School Administrative Services	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Business Administrative Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plant Operations and Maintenance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Pupil Transportation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Schools	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Food Service	2.0	2.0	2.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Totals	<u>35.0</u>	<u>33.0</u>	<u>30.3</u>	<u>30.3</u>	<u>31.1</u>	<u>31.5</u>	<u>28.9</u>	<u>29.4</u>	<u>29.4</u>	<u>29.4</u>

Source: District Personnel Records

MANNINGTON TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/ Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2005	182	\$ 2,959,054	16,259	-0.24%	21.0	1:10	181.6	174.5	2.71%	96.09%
2006	159	3,168,921	19,930	22.58%	21.0	1:13	159.3	153.6	-12.28%	96.42%
2007	153	3,176,803	20,763	4.18%	21.0	1:13	153.9	147.8	-3.39%	96.04%
2008	174	3,337,366	19,180	-7.62%	21.0	1:12	172.2	164.7	11.89%	95.64%
2009	175	3,282,917	18,760	-2.19%	21.0	1:12	172.3	165.2	0.06%	95.88%
2010	188	3,413,420	18,156	-3.21%	21.0	1:11	190.3	181.6	10.45%	95.43%
2011	171	3,230,009	18,889	4.03%	20.0	1:11	177.7	170.6	-6.62%	96.00%
2012	152	3,311,270	21,785	15.33%	20.0	1:13	166.8	159.9	-6.13%	95.86%
2013	183	3,424,402	18,713	-14.10%	20.0	1:13	178.9	174.2	7.25%	97.37%
2014	178	3,493,318	19,625	4.88%	18.0	1:13	176.0	169.2	-1.62%	96.14%

Sources: District records, ASSA.

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

MANNINGTON TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>District Building</u>										
<u>Elementary</u>										
Mannington Township School(19..)										
Square Feet	27,318	27,318	27,318	27,318	27,318	27,318	27,318	27,318	27,318	27,318
Capacity (students)	300	300	300	300	300	300	300	300	300	300
Enrollment	182	159	153	174	175	188	171	167	183	183

Number of Schools at June 30, 2014
Elementary = 1

Source: District records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Mannington Township School	27,318	\$ 39,939	\$ 35,933	\$ 37,135	\$ 37,139	\$ 34,476	\$ 16,116	\$ 5,792	\$ 7,744	\$ 15,518	\$ 31,240
Total School Facilities		<u>39,939</u>	<u>35,933</u>	<u>37,135</u>	<u>37,139</u>	<u>34,476</u>	<u>16,116</u>	<u>5,792</u>	<u>7,744</u>	<u>15,518</u>	<u>31,240</u>
Other Facilities											
Grand Total		<u>\$ 39,939</u>	<u>\$ 35,933</u>	<u>\$ 37,135</u>	<u>\$ 37,139</u>	<u>\$ 34,476</u>	<u>\$ 16,116</u>	<u>\$ 5,792</u>	<u>\$ 7,744</u>	<u>\$ 15,518</u>	<u>\$ 31,240</u>

* Data not available for FY 2001

MANNINGTON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
New Jersey School Boards Association Insurance Group	Blanket Building & Personal Property \$	4,836,404	\$ 1,000
	Commercial General Liability	6,000,000	
	Commercial Inland Marine	268,025	1,000
	Boiler and Machinery	100,000,000	1,000
	Commercial Crime	100,000	1,000
	Legal Liability	5,000,000	5,000
	Business Automobile	6,000,000	1,000
	Workers' Compensation	2,000,000	
Berkley Insurance Co. / McCloskey Insurance Co.	Compulsory Student Accident	1,000,000	
Markel Insurance Company	Catastrophic Student Accident Coverage		
	Maximum Benefit per Participant	5,000,000	
	Cash Benefit - Maximum Benefit	500,000	25,000
The Ohio Casualty Insurance Company	Surety Bonds		
	Board Secretary/Business Administrator	150,000	

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245

September 4, 2014

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Mannington Township School District
County of Salem, New Jersey 08079

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Mannington Township School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2014, which collectively comprise the Board of Education of the Mannington Township School District's basic financial statements and have issued our report thereon dated September 4, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Board of Education of the Mannington Township School District, in the County of Salem, State of New Jersey, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Mannington Township Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Mannington Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Mannington Township Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Mannington Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under **Government Auditing Standards** and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

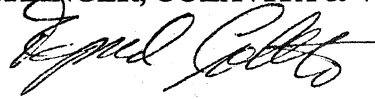
There was one matter identified to be reported to the Board of Education of the Mannington Township School District in a separate report entitled, *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated September 4, 2014, labeled 2014-1.

Purpose of this Report

This report is intended solely for the information and use of the audit committee, management, the Mannington Township Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

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September 4, 2014

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT OF INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF AWARDS REQUIRED BY NEW JERSEY OMB CIRCULAR 04-04

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Mannington Township School District
County of Salem, New Jersey 08079

Report on Compliance for Each Major Program

We have audited the Board of Education of the Mannington Township School District, in the County of Salem, State of New Jersey, compliance with the types of compliance requirements described in the ***New Jersey State Aid/Grant Compliance Supplement*** that could have a direct and material effect on each of Mannington Township School District's major state programs for the fiscal year ended June 30, 2014. The Mannington Township Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the Mannington Township Board of Education's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States; the audit requirements as prescribed by the office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circular 04-04, ***Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid***. Those standards and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Mannington Township Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Mannington Township Board of Education's compliance with those requirements.

Opinion on Each Major Program

In our opinion, the Board of Education of the Mannington Township School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Mannington Township School District's Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Mannington Township Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with New Jersey's OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Mannington Township School District's Board of Education's internal control over compliance.

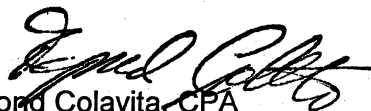
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, the Mannington Township Board of Education, the New Jersey State Department of Education, other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant No. 915

TOWNSHIP OF MANNINGTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

EXHIBIT K-3

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2013			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Balance at June 30, 2014		
				From	To	Accounts Receivable	Unearned Revenue	Due to Grantor				Accounts Receivable	Unearned Revenue	Due to Grantor
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
Title I, Part A	84.010A	NCLB-2950-14	29,537	7/1/13	6/30/14					\$29,537	(\$29,537)			
Title I, Part A	84.010A	NCLB-2950-13	29,095	9/1/12	8/31/13	(\$15,378)				15,378				
Title II, Part A	84.367A	NCLB-2950-14	5,510	7/1/13	6/30/14					3,854	(5,510)	(\$1,656)		
I.D.E.A. Part B, Basic Regular	84.027	IDEA-2950-14	49,795	7/1/13	6/30/14					49,795	(49,795)			
I.D.E.A. Part B, Basic Regular	84.027	IDEA-2950-13	48,500	9/1/12	8/31/13	(12,572)				12,572				
I.D.E.A. Part B, Pre-School	84.173	IDEAPS-2950-14	690	7/1/13	6/30/14					690	(690)			
Rural Education Achievement Prog	84.358A	S358A133425	19,054	7/1/13	9/30/14					8,358	(19,054)	(10,696)		
Rural Education Achievement Prog	84.358A	S358A133425	20,229	9/1/12	8/31/13	(2,565)				11,338	(8,773)			
Total Special Revenue Fund						(30,515)				131,522	(113,359)	(12,352)		
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Enterprise Fund:														
Food Distribution Program	10.565	N/A	7,838	7/1/13	6/30/14					7,838	(7,838)			
Food Distribution Program	10.565	N/A	9,367	7/1/12	6/30/13		\$83				(83)			
National School Breakfast Program	10.553	N/A	5,507	7/1/12	6/30/13	(\$303)				303				
National School Breakfast Program	10.553	N/A	5,880	7/1/13	6/30/14					5,363	(5,880)	(517)		
National School Lunch Program	10.555	N/A	19,546	7/1/12	6/30/13	(1,527)				1,527				
National School Lunch Program	10.555	N/A	21,438	7/1/13	6/30/14					19,723	(21,438)	(1,715)		
Total Enterprise Fund						(1,830)	83			34,754	(35,239)	(2,232)		
Total Federal Financial Assistance						(\$32,345)	83			\$166,276	(\$148,598)	(\$14,584)		

See accompanying notes to schedules of financial assistance

TOWNSHIP OF MANNINGTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance June 30, 2013 Accounts Receivable	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Balances at June 30, 2014			MEMO	
									(Accounts Receivable)	Unearned Revenue/	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education													
General Fund:													
Equalization Aid	14-495-034-5120-078	\$33,846	7/1/13	6/30/14			\$29,853	(\$33,846)	(\$3,993)		*	\$3,993	(\$33,846)
Equalization Aid	13-495-034-5120-078	33,846	7/1/12	6/30/13	(\$2,906)		2,906						
Transportation Aid	14-495-034-5120-014	117,432	7/1/13	6/30/14			103,578	(117,432)	(13,854)		*	13,854	(117,432)
Transportation Aid	13-495-034-5120-014	116,876	7/1/12	6/30/13	(10,037)		10,037						
Special Education Categorical Aid	14-495-034-5120-089	101,080	7/1/13	6/30/14			89,156	(101,080)	(11,924)		*	11,924	(101,080)
Special Education Categorical Aid	13-495-034-5120-089	97,390	7/1/12	6/30/13	(\$8,363)		8,363						
Security Aid	14-495-034-5120-084	29,905	7/1/13	6/30/14			26,377	(29,905)	(3,528)		*	3,528	(29,905)
Security Aid	13-495-034-5120-084	30,089	7/1/12	6/30/13	(\$2,584)		2,584						
Adjustment Aid	14-495-034-5120-085	274,086	7/1/13	6/30/14			241,752	(274,086)	(32,334)		*	32,334	(274,086)
Adjustment Aid	13-495-034-5120-085	245,592	7/1/12	6/30/13	(21,090)		21,090						
Non-public Transportation	14-495-034-5120-014	169	7/1/13	6/30/14				(169)	(169)		*		(169)
Non-public Transportation	13-495-034-5120-014	348	7/1/12	6/30/13	(348)		348						
Bullying Grant	N/A	299	7/1/13	6/30/14			299	(299)			*		(299)
On Behalf TPAF Post Retirmt Med'I Contr.	14-495-034-5095-007	81,977	7/1/13	6/30/14			81,977	(81,977)			*		(81,977)
On Behalf TPAF Pension Contribution	14-495-034-5095-001	49,998	7/1/13	6/30/14			49,998	(49,998)			*		(49,998)
Reimbursed TPAF SS Contribution	14-495-034-5095-002	83,294	7/1/13	6/30/14			83,294	(83,294)			*		(83,294)
Reimbursed TPAF SS Contribution	13-495-034-5095-002	85,479	7/1/12	6/30/13	(463)		463						
Total General Fund					(45,791)		752,075	(772,086)	(65,802)			65,633	(772,086)
Special Revenue Fund:													
Preschool Education Aid	14-495-034-5120-086	56,001	7/1/13	6/30/14			50,401	(56,001)	(5,600)		*	5,600	(56,001)
Preschool Education Aid	13-495-034-5120-086	61,987	7/1/12	6/30/13	(6,199)		6,199						
Total Special Revenue Fund					(6,199)		56,600	(56,001)	(5,600)			5,600	(56,001)
Debt Service Fund:													
Debt Service Aid Type II	14-495-034-5120-017	69,210	7/1/13	6/30/14			69,210	(69,210)			*		(69,210)
State Department of Agriculture													
Enterprise Fund:													
State School Lunch Program	14-100-010-3350-023	666	7/1/13	6/30/14			577	(666)	(89)		*		(666)
State School Lunch Program	13-100-010-3350-023	808	7/1/12	6/30/13	(90)		90						
Total Enterprise Fund					(90)		667	(666)	(89)				(666)
Total State Financial Assistance					(\$52,080)		\$878,552	(\$897,963)	(\$71,491)			\$71,233	(\$897,963)

See accompanying notes to schedules of financial assistance

MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2014

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Mannington Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.*, 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state June aid payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(20,653) for the general fund and \$(16) for the special revenue fund. See Note 2 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2014
(Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 751,433	\$ 751,433
Special Revenue Fund	112,744	56,600	169,344
Debt Service		69,210	69,210
Food Service Fund	<u>35,239</u>	<u>666</u>	<u>35,905</u>
Total Financial Assistance	\$ <u>147,983</u>	\$ <u>877,909</u>	\$ <u>1,025,892</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Mannington School District had no federal or state loan balances outstanding at June 30, 2014.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions, if any, represents the amount paid by the state on behalf of the district for the year ended June 30, 2014. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness (es) identified? _____ yes X no

2) Significant deficiencies identified? _____ yes X none reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards N/A

Internal control over major programs:

1) Material weakness (es) identified? _____ yes _____ no

2) Significant deficiencies identified? _____ yes _____ none reported

Type of auditor's report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ yes _____ no

CFDA Number(s)

Name of Federal Program or Cluster

No Major Federal Programs

Dollar threshold used to distinguish between type A and type B programs: **N/A**

Auditee qualified as low-risk auditee? X yes _____ no

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

Section II - Financial Statement Findings

Finding: NONE

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs**

FEDERAL AWARDS

Finding: NONE

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Effect:

Cause:

Recommendation:

Management's response:

STATE FINANCIAL ASSISTANCE

Finding: NONE

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

This section identifies the status of prior - year findings related to the general - purpose financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 Government Auditing Standards, US OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR - YEAR FINDINGS

NONE